

Comprehensive Annual Financial Report of Davis County, Utah

FOR THE YEAR ENDED DECEMBER 31, 2003



COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF

DAVIS COUNTY, UTAH

For the Year Ended December 31, 2003

Prepared by:

Davis County Clerk / Auditor's Office

Steve S. Rawlings, CGFM
Clerk / Auditor

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Chief Deputy/Finance

DAVIS COUNTY, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2003

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Davis County

COUNTY CLERK/AUDITOR
Steve S. Rawlings, CGFM



June 22, 2004

To The Honorable Board of County Commissioners
and Citizens of the County:

This letter introduces the Comprehensive Annual Financial Report (CAFR) of Davis County (the County) for the year ended December 31, 2003. The County's CAFR is prepared by the County Clerk/Auditor's Office. Technical assistance is provided by our independent auditors, Crane, Christensen & Ambrose P.C.

Publication of this report provides important information of a financial and non-financial nature. Management of the County is responsible for the accuracy, completeness, and fairness of the presentation and the inclusion of all pertinent disclosures.

We believe the information in this CAFR is accurate in all material respects and presents fairly the financial position and the results of operations of the County in accordance with generally accepted accounting principles (GAAP). We also believe that all disclosures necessary to enable the reader to gain a proper understanding of Davis County's financial affairs have been included.

This CAFR is organized into four main sections: Introductory, Financial, Statistical, and Single Audit. The *INTRODUCTORY SECTION* contains this letter of transmittal and organizational charts of the County. The *FINANCIAL SECTION* includes the independent auditors' report, basic financial statements, required supplemental information, combining and individual fund and account group statements, and supplemental information. The *STATISTICAL SECTION* presents data of an accounting and non-accounting nature to assist in obtaining an understanding of the County by highlighting financial status, trends, and socioeconomic information. The *SINGLE AUDIT SECTION* includes the additional financial statements, supplemental schedules, independent auditors' report, and supplemental reports as required by the Single Audit Act of 1984 and by the U.S. Office of Management and Budget Circular A-133.

Management's Discussion and Analysis (MD&A). The discussion and analysis beginning on page 19 provides an overview and analysis of the County's Basic Financial Statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

Changes in Accounting Standards. The Government Accounting Standards Board issued new accounting and reporting standards (GASB34) which were required to be implemented this year. These new standards have impacted the County's revenue and expenditure recognition and changed the way the County reports assets, liabilities, and fund equity. Consequently, much of the information in this report is not comparable to prior year's report. Over time, however, the new reporting model will provide valuable information that will enable citizens and decision makers to better understand the long-term financial position of the County.

Independent Auditors. In compliance with state laws, an annual financial audit of the County is completed each year by independent certified public accountants who are selected by the Board of County Commissioners. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing*

Standards issued by the Comptroller General of the United States. The independent auditor's report on the Basic Financial Statements is included in the Financial Section of this report.

Federal regulations also require the County to undergo an annual "Single Audit" in conformance with the Federal Single Audit Act of 1984, as amended, and the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Government and Non-Profit Organizations*. Information related to the Single Audit, including the schedule of expenditures of federal awards, audit findings and recommendations, summary of prior audit findings, and the auditor's report, are contained in Section IV, Single Audit.

PROFILE OF THE COUNTY

For those who may be unfamiliar with the County, we offer a brief introduction. Davis County is Utah's smallest county in land area. It is a narrow strip of land containing only 223 square miles. It is the third largest county in population. An estimated 256,000 residents live in the County's fifteen communities. Frequented by Shoshone Indians during historic times, the area was among the first settled by members of The Church of Jesus Christ of Latter-day Saints who arrived in the Great Salt Lake Valley in 1847. The lush lake-bottom pastures, fertile soils of the bench lands, and streams flowing out of the high Wasatch Mountains on the east attracted early settlers, who established small farms and close-knit communities. These early settlers established schools, built homes and churches, and created productive farms and shops.

Named after the early pioneer leader, Daniel C. Davis, the County was established as a territory in 1850. The territorial legislature created Davis County in 1852 and designated its County seat at Farmington, midway between boundaries at the Weber River on the north and the mouth of the Jordan River on the south. Westward, the County includes a portion of the Great Salt Lake and its largest island, on which Antelope Island State Park is now located.

During its first half-century, Davis County grew slowly. It supported a hardy pioneer people engaged in irrigation agriculture and livestock raising. The Utah Central Railroad (now the Union Pacific) crossed the County from Ogden on the north to Salt Lake City on the south in 1870 and offered welcome transportation links to bring in manufactured products. This was the beginning of a transition in the County's history that led to mechanized agriculture and a surge of commerce, banking, and local business, along with improved roads, new water systems, and the electrification of homes and businesses. After the turn of the century, the County's 8,000 residents joined in a chorus of boosterism that encouraged growth, but by 1940 the population was barely 16,000. The small family farms and local businesses could support no greater increase. Consequently, many of the younger generation left for new settlements in northern Utah and nearby Idaho and Wyoming.

As the age of the automobile and interurban railways created greater mobility, many County citizens looked to Ogden and Salt Lake City for employment and cultural enrichment. Market gardens, dairy farms, beef cattle, orchards, and fields of grain and sugar beets continued to sustain local farmers. World War II then introduced a new way of life in Davis County. The establishment of Hill Air Force Base in northern Davis County and other defense installations nearby created a surge of civilian employment. Hill AFB quickly became and remains the state's largest employer.

Diversification brought rapid post-war growth. The County doubled in population between 1940 and 1950, and doubled again in the next decade. Between 1960 and 1980, the population doubled again, from 65,000 to 147,000. By 1990 the population had reached 188,000 and the 2000 census recorded 238,994. Being the fastest growing of the four major urban communities along the Wasatch Front, Davis County is projected to build out with a population near 400,000 by the year 2030.

Accompanying this growth has been a diversification of population and a new prosperity. Davis County now enjoys a wide mix of people representing many ethnic, cultural, and religious backgrounds. The County has moved from its traditional agricultural dependency to an interlocking network of suburban communities around a core of original towns with a closeness in proximity to downtown Salt Lake City.

The communications age has tied Davis County to the world. Its citizens today are part of an economic and social pattern that reaches far beyond the County's tiny geographical limits.

Today, many nationally known commercial, industrial, recreational, and service companies provide diversified employment opportunities for residents of Northern Utah. The Freeport Center is the largest distribution center in the United States with more than nine million square feet of covered storage and five million square feet of open storage occupied by more than 125 renowned companies employing some 6,500 employees.

A three-member elected Board of Commissioners is the governing body of Davis County. All Commissioners serve four-year terms, to enhance continuity for the governing board. The County organizational chart following this letter outlines each Commissioner's major areas of responsibility. Department Heads reporting to the Commissioners serve as exempt (appointed) non-merit employees. The Commissioners are responsible for all County services and operations. Commissioners approve, adopt, and amend the budget; they also serve as the legislative body, the property tax Board of Equalization, and regulate business licensing in the unincorporated areas of the County.

Administrative Officers reporting to the Commissioners serve as exempt (appointed) non-merit employees. These individuals are responsible for the daily management of the various services and programs provided by the County.

In addition to the elected and appointed offices just mentioned, seven other elected officials, shown on the organizational chart, all serve four-year terms and are eligible for re-election. Chief Deputies serving each of the other elected officials are also exempt (appointed) non-merit employees.

The Clerk/Auditor serves as the chief financial and budget officer of the County. The County Treasurer is responsible for the collection and investing of all County funds. The County Commission, Clerk/Auditor, and Treasurer together administer the County financial system and the receipt and disbursement of funds as required by the Utah Fiscal Procedures Act.

The County provides a diversified range of county-wide services as well as certain municipal type services which are provided only in the unincorporated areas of the County. Examples of county-wide services include the following: General government services such as property tax assessing and collecting, auditing, budgeting, elections, marriage licenses, passports, real estate records, surveying, criminal justice services, and ordinance enactment and enforcement. Educational Services (such as libraries and agricultural extension), Social Service (such as senior programs), Recreation and tourism services (such as golf courses, tourism and travel facilities, County Fair activities), County support services (such as human resources, information systems, finance, purchasing and facilities management), Public Safety services (such as correctional facilities, emergency 911, police protection, paramedic and ambulance, emergency medical, and animal control), Public Health services (such as mental health and substance abuse, clinical, nursing, dental health, vehicle inspection and maintenance, environmental health, and also health education and promotion), Public Works services (such as flood control and noxious weeds).

Municipal type services include fire protection, public works (road construction and maintenance), building inspection, and business licenses. These services are funded by property and sales taxes and user fees generated by the citizens of the unincorporated area of the County. They are accounted for in the Special Service Area Fund.

ECONOMIC CONDITION AND OUTLOOK

BUSINESS AND INDUSTRY

The slowdown of the economy throughout the world this decade has taken a toll on funding of Davis County services. Davis County has begun to show measurable signs of improvement. Even though the county unemployment rate has risen from 3.2 at the beginning of the decade to 5.2 percent in 2003, the rate

still compares favorably with the State rate of 5.6 percent and the National rate of 6.0 percent. The County and the State continue to have one of the best labor and business climates in the western United States. The work force is young and well educated and, overall, wages are competitive. As the economy improves, the County expects unemployment rate to continue to decrease. In 2003, the trend of negative job growth appears to also be reversing.

Total permit-authorized construction remains strong. In the last year, the number of construction and manufacturing jobs in the County began to increase, following state and national trends in those industries. In the improving economy, the value of total permit authorized construction in the County rose 26.2 percent in 2003 compared to 2002 figures. In the New Nonresidential construction category, growth was even more dramatic increasing 59.2 percent over the prior year. With the improving economy, and mortgage rates expected to remain below 6.5 percent, the single-family home sector should continue to buoy the construction industry well into 2004.

In 2003, the County's total sales taxes grew 3.2 percent primarily due to growth. Davis County continues to experience steady growth in existing business expansion and new business growth, especially in commercial, restaurant, and retail.

The major employers in Davis County are:

<u>BUSINESS</u>	<u>EMPLOYEES</u>
Hill Air Force Base	23,500
Davis County School District	6,300
Lifetime Products	1,900
Davis County	900
Lagoon Inc	850
Smith's Distribution Services	1,150
Utility Trailer and Manufacturing	700 – 1,000
Albertson's	500 – 700
Amusement Services	500 – 700
Associates Commerce Solutions	500 – 700
Davis Hospital and Medical Center	500 – 700
J.C. Penney	500 – 700
Pioneer Adult Rehabilitation	500 – 700
Icon Health and Fitness	650
Lakeview Hospital	550

TRANSPORTATION AND ACCESSIBILITY

Davis County has superb highway accessibility. Interstate 15 runs north and south through the County, providing easy access to Interstate 80 and other major highways throughout the state. Many major western cities are only a day's haul away by commercial carrier, while many others can be reached in a few days.

The Salt Lake International Airport is readily accessible to all of Davis County. The airport is anchored by Delta Airlines and Southwest Airlines and has a total of 16 airlines operating 401 scheduled daily departures. Almost 19 million passengers traveled through the airport in 2003 making it the 25th busiest airport in North America and 49th in the world. Several air cargo/express mail services have daily flights in and out of Salt Lake International Airport.

Amenities at the airport include vehicle rental, restaurants, a golf course, news shops, barber and beauty salons, a full service bank, fax machines, currency exchange, and translation services with ample parking.

In addition to the Salt Lake International Airport, private plane operators enjoy easy access and accommodations to Sky Park Airport, located in southern Davis County.

Rail services in Utah are provided by Southern Pacific and Union Pacific as well as Amtrak. Second-morning freight service is offered to 90 percent of the western market, and all west coast cities can be served directly by rail from Utah without backtracking. Amtrak provides daily passenger service both east and west. Interstate bus service is provided by Greyhound while the Utah Transit Authority (UTA) provides daily mass transit service in the County and along the Wasatch Front.

MAJOR INITIATIVES AND OTHER ACCOMPLISHMENTS

TEAM MANAGEMENT

The County strongly supports the development of the concept of team building. This concept creates a formal working group or team of individuals responsible for similar or related functions within the County. These individuals may report to several different Administrative Officers but have a need to interact with the other members of the team to efficiently and effectively manage their responsibilities.

The Administrative Officers, Information Services Team, Users Service Team, Risk Management Team, Property Tax Team, Facilities Management Team and the Financial Services Team continued to meet and accomplish their annual objectives. As individuals from different departments organize themselves into teams, communication flow is facilitated and issues are addressed and resolved in an atmosphere of unity and productivity.

DAVIS COUNTY JUSTICE COMPLEX

Rapid growth within the County created a need for additional court and detention facilities. During the last decade, the State constructed court facilities. The County contracted with the federal marshals to construct a work release facility to house 120 work release inmates. Work release inmates are now housed in a less expensive minimum-security setting. Other inmates use the existing traditional security structure. The County's normal detention capacity is 496 inmates.

Current projections show the County will require almost double the inmate capacity within the next 15-20 years. Detention expansion is now in the development stage to accommodate this projected need. During 2002 the County completed the site stabilization work required before construction can commence. In 2003, a Citizen's Committee was formulated to study the need, and analyze all alternatives and solutions to the County Jail overcrowding problem. Its recommendation is expected in Spring 2004. The current projection is to request voter authorization for a new jail bond with the election in November 2004 and to begin construction on the proposed 400-bed expansion in the Spring of 2005.

USU EXTENSION PROGRAM

USU Extension is a cooperative program between Davis County, Utah State University, and the U.S. Department of Agriculture. A satellite system was installed at the County and is being used as a communication link between USU and the County Extension. This greatly enhances the ability of County citizens to access the abundant resources of the Federal/State Land-Grant system. Classes are regularly scheduled on many topics of current interest.

Extension services go beyond the simple transfer of knowledge to the idea of helping people identify their problems and find tools with which to solve them. Services offered to Davis County residents include County Agriculture, 4-H, Food & Nutrition Program, Horticulture, Home Economics, Life Span Learning, etc.

The County has partnered with USU in the development of the Utah Botanical Center. It replaces the historic Utah Botanical Gardens. The new development has been built on 94 acres of property in the center of the County. Its walking trails wander through a home and garden village, demonstration gardens, fishing ponds, a visitor's center, exhibit pavilion, and a demonstration home "The Utah House". The entire Center is an operating educational facility that demonstrates principles of sustainability that can significantly reduce our impact on the land and its resources. The fish ponds have been dredged and redesigned to better tell the story of the Gardens. Much earth work was accomplished on the grounds and trails of the Gardens with the material dredged from the ponds. The Utah House is now open and many visitors are enjoying it. It is anticipated that the Botanical Center will open in the Spring of 2004.

CONFERENCE CENTER

For several years the County has been creating a master plan to construct a destination conference center in the County. In 1998, the County purchased one-half of a 12-acre property in the heart of the commercial area of northern Davis County. During 2000 the County purchased an adjoining 3 acres to complete the land area for the project. The County purchased the remaining one-half of the 12-acre property in 2001. During 2002, new proposals were solicited, a developer was selected, and negotiations began. Construction began on the 41,000 square feet facility in the Fall of 2003. It is anticipated that the conference center will open on August 15, 2004. This entire project is being funded by tourism tax dollars. They are restricted to be used only for the construction and operation of recreational, cultural, or tourism facilities. The County issued \$9 million in sales tax revenue bonds to cover most of the projected \$9.6 million cost.

LIBRARY EXPANSION

During 2000, after several years of planning, the Davis County Commission approved a property tax increase for library expansion. The modest increase has already funded a major expansion of the South Branch Library during 2000. Facilities were expanded at the Central Branch in 2001 and 2002. Construction on the new branch library in Syracuse City was completed in August of 2003. The expansion also includes a branch library to be constructed in Centerville City during 2005. The tax increase is considered a permanent increase because the additional revenue will be needed to fund the ongoing operating costs of the expanded system.

PUBLIC WORKS EXPANSION

Outdated and failing buildings at the Fruit Heights public works facility are being replaced with new metal garages and office space. The redesigned layout also includes new covered salt and sand storage and a new fueling system. The entire project will cost approximately \$800,000. The office structure and part of the vehicle parking/service bays were completed during 2002 and 2003. The remainder of the project has been scheduled for completion in 2004.

SHERIFF'S "CITIZEN'S ACADEMY"

Under the direction of the Sheriff, a training program called "Citizen's Academy" continues to be funded. Leaders and citizens in the community are invited to participate. The training is being offered to achieve better community understanding of the functions of law enforcement.

Community Oriented Policing is about teamwork providing greater opportunities for all citizens, government agencies and officials, law enforcement professionals and private agencies working together to improve the quality of life in our communities. It is a well-known premise that better communication between citizens and those who provide law enforcement protection greatly enhances our communities.

The nine-week course taught one night a week for four hours each night is a “hands-on” course with instruction from highly qualified Sheriff’s Department personnel. Participants actually perform the skills taught in the course. These are the same skills taught at the police academy and used daily by professional law enforcement officers. Included are hands-on training in firearms, arrest and control tactics, use of force, alcohol and drug enforcement, emergency vehicle operation, crimes in progress, routine traffic stops, and felony police tactics.

Due to the specialized service the Sheriff’s office provides through its Paramedic program and Corrections Division, training is also offered to enhance the participants understanding of these special services. Participant’s knowledge and use of medical skills is improved as a result of this training.

FINANCIAL INFORMATION

FINANCIAL REPORTING AND ACCOUNTING STANDARDS

Local government accounting principles are established and promulgated by the Governmental Accounting Standards Board (GASB). This report conforms to all current, relevant pronouncements of GASB, which, taken as a whole, are referred to as "Generally Accepted Accounting Principles" (GAAP).

THE REPORTING ENTITY

This CAFR includes all funds of the County as follows:

<u>DESCRIPTION</u>	<u>FUND TYPE</u>
General Fund	General Government
Health Fund	Special Revenue
Tourism Board Fund	Special Revenue
Library Fund	Special Revenue
Flood Control Fund	Special Revenue
Council on Aging Fund	Special Revenue
Metro Strike Force Fund	Special Revenue
Emergency 911 Fund	Special Revenue
Municipal Building Authority Fund	Special Revenue
Special Service Area Fund	Special Revenue
General Obligation Bond Fund	Debt Service
Municipal Building Authority Bond Fund	Debt Service
<u>DESCRIPTION</u>	<u>FUND TYPE</u>
Conference Center Construction Fund	Capital Projects
Capital Projects Fund	Capital Projects
Golf Courses Fund	Enterprise
Commissary Fund	Enterprise
Insurance Fund	Internal Service
Telephone Fund	Internal Service
Buildings and Grounds Fund	Internal Service
County Agency Fund	Agency
Treasurer’s Tax Collection Fund	Agency
Employee Benefits Fund	Agency

The CAFR also reports consolidated information of Davis Behavioral Health and Wasatch Energy as related entities of Davis County. Davis Behavioral Health was created in 1983 by the County as a public

non-profit organization to provide behavioral and also alcohol and drug services for the residents of Davis County. Wasatch Energy is a regional solid waste energy recovery district organized in 1982 by the County to process solid waste. The "burn plant" as it is commonly known, incinerates solid waste and produces steam that is sold to Hill Air Force Base.

ACCOUNTING SYSTEMS AND BUDGETARY CONTROLS

The County operates an integrated budgetary and accounting system that incorporates the adoption of a formal legal budget for each department. The budget is adopted in December each year for the ensuing year.

State statutes define the legal level of budgetary control at the department level. Expenditures should not exceed appropriations at that level. Monthly financial reports are electronically distributed to each department head and/or elected official with a charge that obligations must be closely monitored. The budget is reopened as required (usually twice each year) to consider necessary adjustments.

A modified accrual basis of accounting is used for governmental funds with revenues recognized when measurable and available. Expenditures are recognized when a fund liability is incurred. These transactions are recorded using the fund accounting approach, where each fund is a distinct entity with a set of self-balancing records.

Automation and modernization of the accounting system have received the strong support of County officials. These efforts continue to move forward as new technology becomes available. As financial reporting requirements change we will be allowed to provide the most current and meaningful accounting information to all users in the 2003 report.

Safeguarding assets and providing reasonable assurance that financial transactions are properly recorded requires implementation of adequate internal controls. The County's internal controls are presently accomplishing this objective in all material respects. Further discussion of accounting and budgeting matters may be found in the "Notes to Financial Statements."

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the *Certificate of Achievement for Excellence in Financial Reporting* to Davis County for its Comprehensive Annual Financial Report for the calendar year ended December 31, 2002. This is the tenth year in a row that Davis County has received this award.

This prestigious award requires a governmental unit to publish an easily readable and efficiently organized comprehensive annual financial report that must conform to rigorous program standards. Qualifying reports must satisfy both GAAP and applicable legal requirements.

The Certificate of Achievement program demands that all applicable requirements be met each year the award is given. We have made application for the award for the 2004 calendar year and believe this report continues to conform to the program requirements. Our highly qualified and professional staff is dedicated to making this certification possible.

CONCLUSION

This report has been prepared in an effort to provide meaningful data that will be useful in evaluating the financial activity of Davis County. The preparation of this report is a team effort by the County Clerk/Auditor staff in conjunction with department accounting personnel. Their dedicated efforts have made possible the continued improvement of both form and content. We extend our appreciation for their

ongoing commitment to excellence in financial reporting and for their continued effort in providing pleasant and efficient services to the citizens of Davis County. The efforts of the Board of County Commissioners, other elected officials, and the department heads and their staff make it possible for the County to continue to cooperatively demonstrate fiscal responsibility and to achieve the highest of standards.

Sincerely,

A handwritten signature in black ink, reading "Steve S. Rawlings". The signature is fluid and cursive, with the first name "Steve" and last name "Rawlings" clearly legible, and the middle initial "S." in between.

Steve S. Rawlings, CGFM
Clerk/Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Davis County,
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

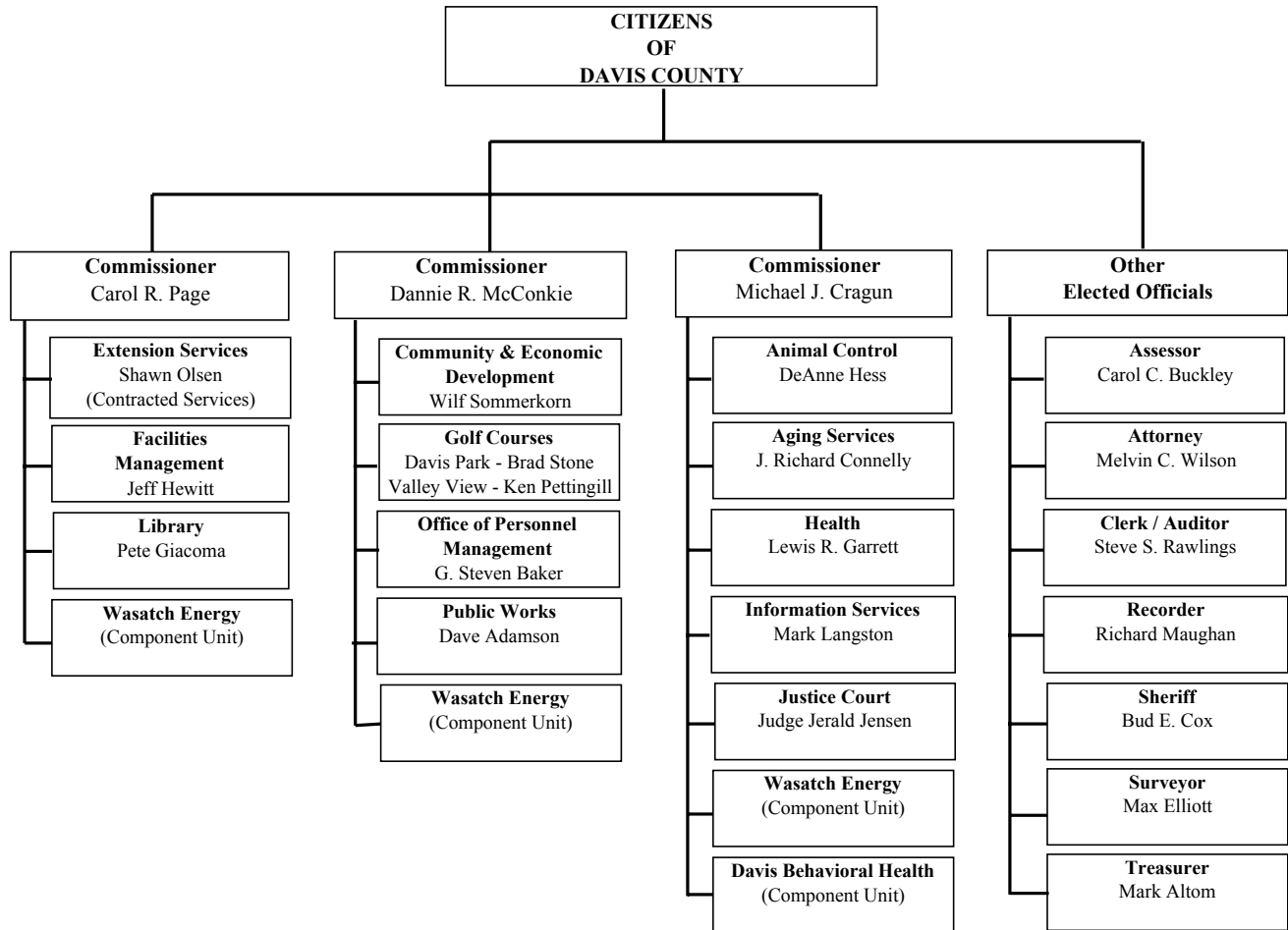


President

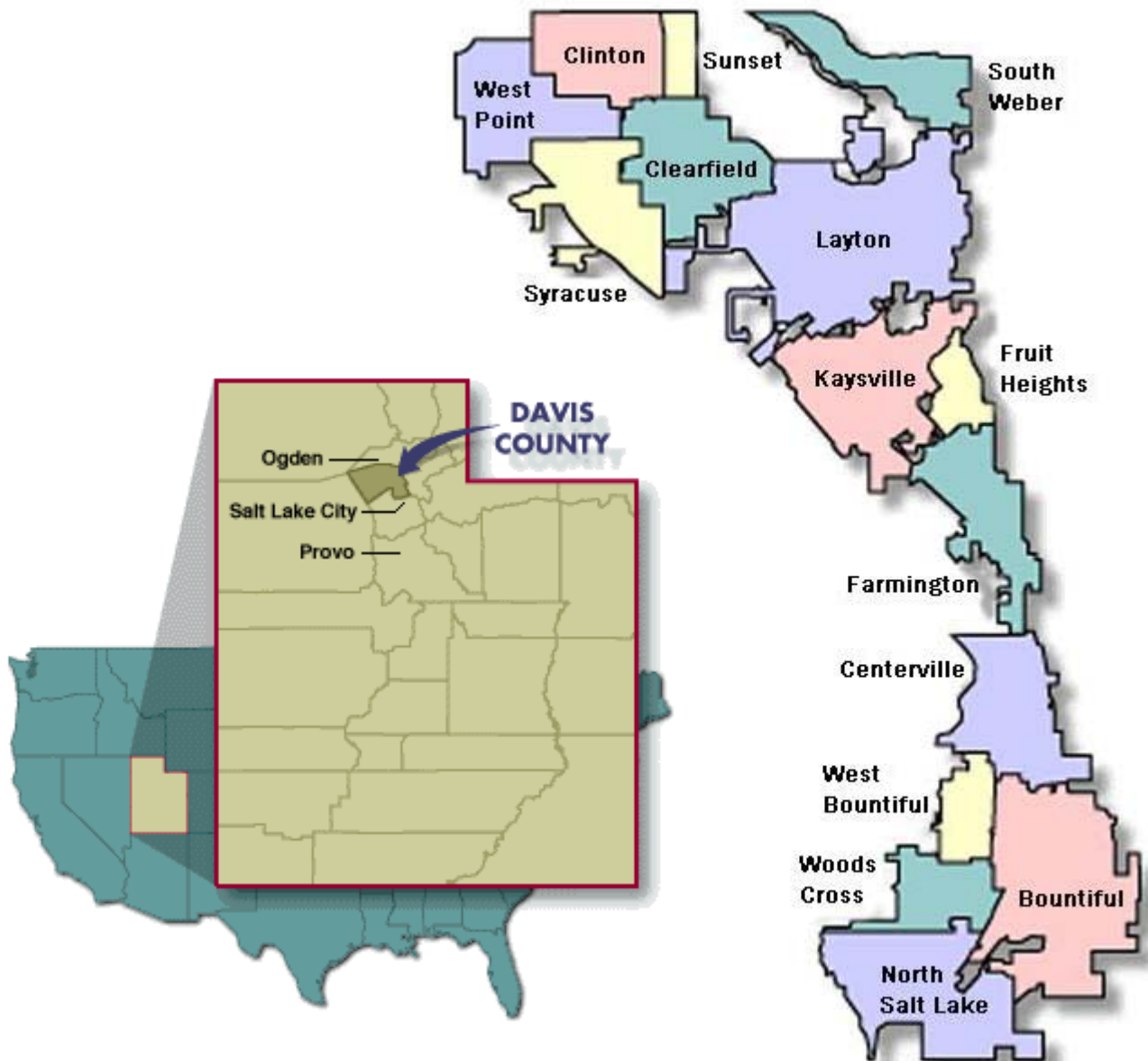
Executive Director

DAVIS COUNTY ORGANIZATION CHART

For the Year Ended December 31, 2003



II. Financial Section





Steven F. Crane, CPA
Kent R. Christensen, CPA
Jeffrey L. Ambrose, CPA
Chuck Palmer, CPA

INDEPENDENT AUDITORS' REPORT

The Board of County Commissioners
Davis County, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Davis County (the County), as of and for the year ended December 31, 2003, which collectively comprises the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Davis Behavioral Health which is shown as a discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Davis Behavioral Health, is based solely on the reports of such other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the accounting principles used and significant estimated made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with the *Government Auditing Standards*, we have also issued our report dated April 23, 2004 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As described in Note 2, the County has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of December 31, 2003.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County. The combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Crane, Christensen & Ambrose P.C.

Ogden, Utah
April 23, 2004

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2003

INTRODUCTION

The following is a discussion and analysis of Davis County's financial performance and activities for the year ended December 31, 2003. When read in conjunction with the letter of transmittal and the notes to the financial statements, this section's financial highlights, overview and analysis should assist the reader to gain a more complete knowledge of the County's financial performance. Beginning this year, the County implemented new reporting standards established by the Governmental Accounting Standards Board (GASB). These new standards significantly changed the content and structure of the financial statements. In this first year of GASB 34 implementation, prior year's data has not been converted to the same format and thus not easily comparable to previous years. This discussion will contain comparative analysis in future years when prior year information is available.

HIGHLIGHTS

Government-wide

- The County's total net assets increased \$6.3 million or 8.1 percent over the prior year. Net assets of governmental activities increased \$6.9 million or 9.5 percent. Net assets of business-type activities increased \$154 thousand or 3.2 percent before transfer outs.

Fund Level

- Fund balances in the County's governmental funds increased \$13.4 million or 132 percent from the prior year. This is a temporary condition that includes \$7.7 million of unspent bond proceeds. Without that balance, the increase was still a very healthy \$5.7 million or 55.5 percent.
- Property tax revenues were 20.2 percent higher than the prior year primarily due to a general fund property tax increase of 24 percent that was imposed for 2003. The County's total sales taxes also grew 3.2 percent.

Long-term Debt

The County's long-term debt increased \$7.2 million, or 51.1 percent to \$21.2 million. This increase is mainly the result of a \$9 million revenue bond issued in October to fund the conference center construction. Other long-term debt payments reduced the ending liabilities by \$1.8 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report includes the County's Basic Financial Statements. The Basic Financial Statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the Basic Financial Statements, this report also contains the required supplementary information, as well as, additional supplementary information and fund data, including combining statements for nonmajor funds and a statistical section.

The government-wide view of the County's finances is a requirement under the GASB Statement 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and became effective for the County for 2003. Fund financial statements have been reported in the past.

Government-wide Statements – Reporting the County as a Whole

The Statement of Net Assets and the Statement of Activities beginning on page 29 comprise the government-wide financial statements. These statements provide a broad overview with a long-term focus of the County's finances as a whole and are prepared using the *full-accrual* basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent, and all assets and liabilities, including capital assets and long-term debt, are reported at the entity level.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets measure whether the County's overall financial condition is getting better or worse. In evaluating the government's overall condition, however, additional non-financial factors should be considered such as the County's economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or most of their costs through user fees and charges (*business-*

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2003

type activities). Davis County's governmental activities include general government, public safety, public works, judicial, and library services. The County has two business-type activities – 1) operation of the county's Golf Courses and 2) operation of the Jail Commissary.

The government-wide statements also include information about two *component units*, Davis Behavioral Health (DBH) and Wasatch Energy (W/E). A legally separate entity meets the criteria of a component unit if the County's governing body appoints a voting majority of the organization's governing body and either has the ability to impose the County's will on that organization or that organization may provide specific financial benefits or burden to the County. An organization may also be considered a component unit of the County if the organization is fiscally dependent upon the county or if its relationship is of a nature that it would be misleading to exclude it. The basic criterion to include Davis Behavioral Health's information into the financial statements is that the financial statement may be misleading if it were not included. The basic criterion to include Wasatch Energy's as a component unit is that Wasatch Energy is fiscally dependent on the County.

Fund Financial Statements – Reporting the County's Most Significant Funds

The fund financial statements beginning on page 34, provide detailed information about individual major funds, not the County as a whole. A fund is a group of related accounts that the County uses to keep track of specific resources that are segregated for a specific purpose. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity. All of the County's funds can be divided into three types: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Most of the County's basic services are accounted for in governmental funds and are essentially the same functions reported as governmental activities in the government-wide statements. Governmental funds use the *modified accrual* basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at year-end that are available for future spending. This *short-term* view of the County's financial position helps determine whether the County has sufficient resources to cover expenditures for its basic services in the near future.

Proprietary Funds – Proprietary funds are presented using the *full-accrual* basis of accounting. Davis County uses two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County has two enterprise funds - Golf Course Fund, and Jail Commissary Fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County maintains three internal service funds – Insurance Fund, Telephone Fund, and Building and Grounds Fund. Because those services predominantly benefit governmental rather than business-type activities, they are included with *governmental activities* in the government-wide statements.

Fiduciary Funds – Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds use *full-accrual* accounting but are not included in the government-wide statements because the assets in those funds are not available to finance the County's own programs.

Reconciliation Between Government-wide and Fund Statements

The financial statements include schedules on pages 36 and 40 that reconcile the amounts reported for governmental activities on the government-wide statements (full-accrual accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual accounting, short-term focus). Following are some of the major differences between the two statements:

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlays result in capital assets on the government-wide statements but are expenditures on the governmental fund statements.
- Bond proceeds result in liabilities on the government-wide statements but are other financing sources on the governmental fund statements.
- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements but are deferred revenue on the governmental fund statements.

Notes to the Financial Statements

The notes beginning in page 48 provide additional schedules and information that are essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statement.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Assets

The largest component of the County's net assets, 81.4 percent, reflects investments in capital assets (land, buildings, equipment, roads, and other infrastructure) less all outstanding debt that was issued to buy or build those assets. As Capital assets, these resources are not available

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2003

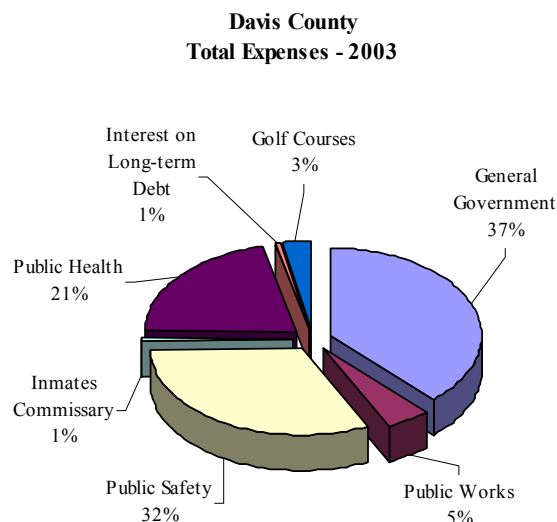
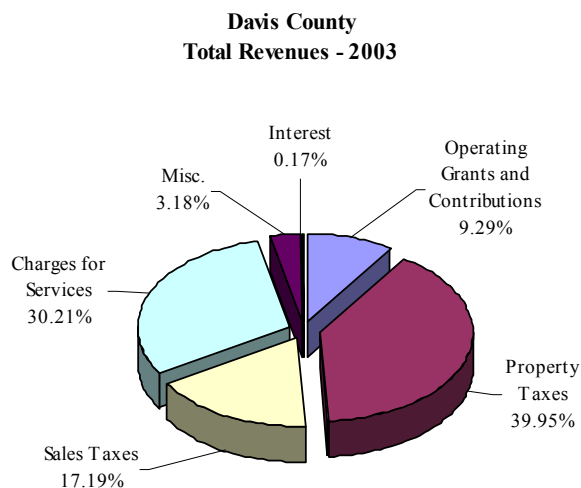
for future spending, nor can they all be readily liquidated to pay off the related liabilities. Resources needed to repay capital-related debt must be provided from other sources.

Restricted net assets comprise 22.9 percent of total net assets and are subject to external restrictions on how they may be used. Unrestricted net asset at December 31, 2003 is negative \$5.9 million. When it becomes positive in the future, it may be used at the County's discretion to meet its ongoing obligations to citizens and creditors.

Davis County			
Net Assets			
December 31, 2003			
	Governmental Activities	Business-type Activities	Total Primary Government
Current and Other Assets	\$ 30,714,688	\$ 494,477	\$ 31,209,165
Capital Assets	74,405,942	3,875,287	78,281,229
Total Assets	105,120,630	4,369,764	109,490,394
Current and Other Liabilities	4,089,000	182,779	4,271,779
Long-term Liabilities	21,234,955	-	21,234,955
Total Liabilities	25,323,955	182,779	25,506,734
Net Assets:			
Invested in Capital Assets			
Net of related Debt	64,521,074	3,875,287	68,396,361
Reserved for inventories & Other Assets	2,230,270	-	2,230,270
Restricted	18,960,187	311,698	19,271,885
Unrestricted	(5,914,856)	-	(5,914,856)
Total Net Assets	\$ 79,796,675	\$ 4,186,985	\$ 83,983,660

Changes in Net Assets

The County's combined net assets increased by \$6.3 million or 8.1 percent from the prior year. Net assets of the governmental activities increased \$6.9 million or 9.5 percent due mainly to depreciation of the County's capital assets. The County's business-type activities, the Golf Course, and Jail Commissary, had a slight increase in net assets of \$154 thousand or 3.2 percent before transfer outs. Transfers outs of approximately \$821 thousand included an amount of \$566 thousand for the Davis Park Club House to the General Fund. The remaining \$254 thousand was to transfer the net income of the Commissary Fund to the General Fund.



DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2003

Governmental Activities

Total tax revenues showed moderate increases during 2003. General sales taxes increased 3.2 percent. Property taxes edged upward due to continued development of residential and commercial real estate throughout the County and the County's first property tax increase in 13 years. Net assets for governmental activities increased/decreased this year due mostly to depreciation costs of the County's capital assets.

Davis County
Changes in Net Assets
For the Year Ended December 31, 2003

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Revenues			
General Revenues:			
Taxes	\$ 37,561,589	\$ -	\$ 37,561,589
Other General Revenues	2,090,425	-	2,090,425
Interest Revenue	108,766	11,563	120,329
Program Revenues:			
Charges for Services	17,609,208	2,246,235	19,855,443
Operating Grants	5,985,271	-	5,985,271
Capital Grants	123,537	-	123,537
Total Revenues	63,478,796	2,257,798	65,736,594
Expenses			
General Government	22,558,382	-	22,558,382
Public Safety	18,936,997	-	18,936,997
Public Health	12,620,889	-	12,620,889
Public Works	2,950,695	-	2,950,695
Interest on Long-term Debt	302,557	-	302,557
Golf Courses	-	1,776,900	1,776,900
Commissary	-	326,652	326,652
Total Expenses	57,369,520	2,103,552	59,473,072
Changes in Net Assets before Transfer	6,109,276	154,246	6,263,522
Transfers In (Out)	820,535	(820,535)	-
Changes in Net Assets	6,929,811	(666,289)	6,263,522
Net Assets - Beginning (as restated)	72,866,864	4,853,274	77,720,138
Net Assets - Ending	\$ 79,796,675	\$ 4,186,985	\$ 83,983,660
Percentage Change from Previous Year	9.51%	-13.73%	8.06%

The table below shows to what extent the County's governmental activities relied on taxes and other general revenues to cover all of their costs. For 2003, these programs generated \$23.7 million or 41.3 percent of their total expenses through charges for services and grants. Taxes and other general revenues covered the remaining 58.7 percent of expenses.

Davis County
Net Cost of Government Activities
For the Year Ended December 31, 2003

Activities	<u>Total Program Expenses</u>	<u>Less Program Revenues</u>	<u>Net Program Costs</u>	<u>Program Revenue as a Percentage of Total Expenses</u>
General Government	\$ 22,558,382	\$ (7,810,358)	\$ 14,748,024	34.6%
Public Safety	18,936,997	(9,061,755)	9,875,242	47.9
Public Health	12,620,889	(5,734,022)	6,886,867	45.4
Public Works	2,950,695	(1,111,881)	1,838,814	37.7
Interest on Long-term Debt	302,557	-	302,557	0.0
Total Government Activities	\$ 57,369,520	\$ (23,718,016)	\$ 33,651,504	41.3%

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2003

Business-type Activities

In 2003, Davis County's Golf Courses created an operating loss of \$108,822 due to the shortened golf season. In addition, there was a \$566,520 transfer out to pay for the 2002 Davis Park Golf Course clubhouse addition. Revenue however, was still \$2,700 higher than the prior year while expenses were \$8,257 higher than the prior year.

The Jail Commissary continues to generate sufficient revenues to cover its operating costs. Net income for 2003 was approximately \$254 thousand. This amount was transferred to the General Fund to help cover Jail operations. Revenue decreased by \$18,651, or 3.1 percent, while expenses decreased by \$15,228 or 4.4 percent.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

Davis County added \$4.7 million in new capital assets during 2003, of which \$1.4 million was related to the construction of the conference center. Another \$3.3 million was related to building, equipment purchases, and improvements. The County contributed \$2.1 million in capital assets to a related entity and removed from them the book in 2003.

Long-term Debt

During 2003, Davis County issued \$9 million dollars of revenue bonds to finance the construction of the conference center. At December 31, 2003, Davis County had the following long-term debt outstanding in governmental activities. There was no long-term debt associated with business type activities.

Davis County	
Long-term Liabilities	
December 31, 2003	
	Governmental Activities
General Obligation Bonds, net	
of premiums/discounts.....	\$ 4,980,000
Revenue Bonds	9,000,000
Municipal Building Authority Bonds	1,629,000
Lease Purchase Line of Credit	3,514,320
Compensated Absences	2,097,443
Total	\$ 21,220,763

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Fund Balances

At December 31, 2003, Davis County's governmental funds reported combined fund balances of \$23.6 million. Of this amount, \$2.2 million or 9.3 percent is reserved for various purposes. The following chart presents the County's 2003 ending fund balances.

Davis County				
Governmental Fund Balances				
For the Year Ended December 31, 2003				
	<u>Reserved</u>	<u>Unreserved</u>	<u>Total</u>	<u>% Change from Prior year</u>
General Fund	\$ 149,651	\$ 4,263,391	\$ 4,413,042	80.1%
Health Fund	\$ 142,933	\$ 387,773	\$ 530,706	N/A
Tourism Fund	\$ -	\$ 1,976,987	\$ 1,976,987	36.4%
Library Fund	\$ -	\$ 745,867	\$ 745,867	-42.0%
Flood Control Fund	\$ -	\$ -	\$ -	N/A
G/O Debt Fund	\$ -	\$ 3,296,051	\$ 3,296,051	5.6%
Capital Proj. Conf. Ctr. Fund	\$ -	\$ 7,731,425	\$ 7,731,425	N/A
NonMajor Fund	\$ 1,908,085	\$ 3,009,069	\$ 4,917,154	158.2%
Total	\$ 2,200,669	\$21,410,563	\$23,611,232	131.2%

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2003

General Fund

During 2003, the fund balance in the General Fund increased \$1,962,283 or 80 percent due mainly to a 24 percent property tax increase that generated approximately \$3,000,000 in additional property tax revenues. Though the national and local economy began showing signs of improvement in 2003, General Fund sales taxes still remain somewhat stagnant, increasing only \$78,799 or 1.0 percent over the prior year. Continuing low interest rates were the major driving force behind the 33.8 percent increase in Recorder's fees, an additional \$616,699. Updated contracts for housing federal and state prisoners resulted in the other significant General Fund revenue increase. These revenues increased \$1,085,571 from \$2.7 million to 3.8 million, a 39.9 percent increase. Total General Fund revenues increased \$6,765,283 or 20.6 percent.

Total General Fund expenditures increased \$856 thousand or 2.7 percent due mainly to the following factors:

- Most county employees received a 2 percent cost-of-living increase, as approved in the 2003 budget.
- Assessor's Office expenditures increased \$341,109 or 26.2 percent as the County Commission authorized an effort to automate the process of valuing the real estate and personal property through out the County.
- Capital Outlay expenditures that have been put on hold for the past two years were again funded more adequately. These expenditures increased to a more regular level of \$563,887 an increase of 337 percent over last years meager \$167,348. The main additional purchase there was a new mainframe computer.

General fund transfers in changed dramatically from the previous year. Transfers in were more standard at \$254,015, a decline of 76.6 percent from the 2002 level. The previous years transfers in were generous due to excellent management of the Jail Commissary and also as the County closed out the Ambulance fund.

Transfers out from the General Fund were generous in 2003. The Commission authorized the transfer of \$1,800,000 or 26.6 percent of the increased revenues to the Capital Projects / Revolving Fund. This will set aside those monies for use in the coming years as the capital needs of the County are dictated with the anticipated jail expansion and other capital needs of the County.

General Fund Budgetary Highlights

Davis County prepares its budget according to state statutes, as described more fully in Note 1.G. The most significant budgeted fund is the General Fund. The County amended the General Fund budget during the year to meet the needs of the departments as issues arose. The most significant change to the original adopted budget was a \$1,362,384 increase in transfers out to accommodate the capital project transfer describe above.

Actual General Fund revenues were \$2.2 million or 5.8 percent above the original and final budgets. Actual expenditures were \$1.1 million or 3.3 percent and \$505 thousand or 1.6 percent below the original and final budgets, respectively. The County was not required to draw upon existing fund balance in the General Fund this year to cover its expenditures

Other Major Funds

During 2003, the Health Fund was allowed to retain a fund balance of \$530,706. This was necessary to complete the funding of bio-terrorism projects that were in process as the year concluded. Health Fund total revenues and expenditures were relatively unchanged from the 2002 year.

The balance in the Tourism Fund increased \$527,563 to \$1,976,987 in preparation of operating the new Davis County Conference Center as it opens next Fall.

The balance in the Library Fund declined by \$540,304 to \$745,867 due to the construction of the Syracuse Branch library. The fund balance will increase again next year in anticipation of the Centerville Branch library construction that is scheduled for the year 2005.

The Capital Projects / Conference Center Fund was created for 2003. The proceeds of the \$9,000,000 revenue bond are deposited there and the construction of the facility is underway. \$1,390,548 was spent before the end of the year. The remainder will be spent as the project is completed during 2004.

Nonmajor Funds

Davis County's nonmajor funds had a combined increase in fund balance of \$3 million or 158.2 percent. The \$1.8 million transfer in of General Fund increased revenues is identified in the Capital Projects/Revolving Fund. Public Works focused their resources this year on Flood Control projects, thus leaving the Special Service Area road allocations idle to be used another year. This increased the balance in that fund by \$959,712 to \$2,516,840.

DAVIS COUNTY, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2003

OTHER MATTERS

During the 2003 General Session of the Utah State Legislature, lawmakers made changes to the Utah Code that will impact Davis County's future financial position. Highlights of some of the changes are as follows:

- The formula for calculating the certified tax rate on real and personal property was modified to be based on the prior year's *budgeted* revenues instead of *actual* revenues. The change is effective for the 2004 budget year.
- Legislation was enacted to allow third class cities with pre-1993 Redevelopment District Authority (RDAs) to be paid an additional tax increment providing the additional tax increment is used to pay for some or all the costs of the land for and installation and construction of recreational or cultural facilities.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of Davis County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information in this report or any other matters related to the County's finances should be addressed to:

Davis County Clerk/Auditor
P.O. Box 618
Farmington, Utah 84025

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Basic Financial Statements



DAVIS COUNTY

EXHIBIT A

STATEMENT OF NET ASSETS
DECEMBER 31, 2003

	Primary Government			Component Units (as of June 30, 2003)	
	Governmental	Business-type	Total	Davis	Wasatch
	Activities	Activities		Behavioral Health	Energy
ASSETS					
Cash and Cash Equivalents	\$ 17,591,716	\$ 475,203	\$ 18,066,919	\$ 2,663,433	\$ 1,581,230
Investments	-	-	-	165,065	14,491,983
Accounts Receivable	5,941,045	1,640	5,942,685	1,978,250	1,803,308
Taxes Receivable	4,951,657	-	4,951,657	-	-
Inventories and other assets	2,230,270	17,634	2,247,904	160,386	1,421,026
Internal Balances					
Capital Assets:					
Land and Related Non-depreciable Assets	27,837,727	2,471,675	30,309,402	556,265	13,558,635
Construction in process	3,210,500	-	3,210,500	-	-
Depreciable Infrastructure	17,342,105	-	17,342,105	-	143,757
Buildings, Equipmt., & Other Depreciable Assets	53,736,625	3,219,342	56,955,967	5,947,447	54,587,068
Less Accumulated Depreciation	(27,721,015)	(1,815,730)	(29,536,745)	(2,588,815)	(33,259,403)
Total Capital Assets	74,405,942	3,875,287	78,281,229	3,914,897	35,030,057
TOTAL ASSETS	105,120,630	4,369,764	109,490,394	8,882,031	54,327,604
LIABILITIES					
Accounts Payable and Accrued Liabilities	3,038,059	182,779	3,220,838	2,457,675	2,422,578
Amounts Due to Other Governmental Entities	-	-	-	-	-
Deferred Revenue	1,050,941	-	1,050,941	-	-
Long-term Debt	-	-	-	-	-
Due Within One Year	2,562,846	-	2,562,846	5,221	4,245,000
Due in More Than One Year	18,672,109	-	18,672,109	515,977	9,345,000
TOTAL LIABILITIES	25,323,955	182,779	25,506,734	2,978,873	16,012,578
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	64,521,074	3,875,287	68,396,361	3,398,920	21,440,057
Reserved for inventories and other assets	2,230,270	-	2,230,270	-	-
Restricted for:					
Special Revenue Activities	5,919,141	-	5,919,141	2,504,238	3,471,980
Debt Service	3,296,051	-	3,296,051	-	-
Capital Projects	9,744,995	-	9,744,995	-	-
Golf Courses	-	311,698	311,698	-	-
Unrestricted	(5,914,856)	-	(5,914,856)	-	13,402,989
TOTAL NET ASSETS	\$ 79,796,675	\$ 4,186,985	\$ 83,983,660	\$ 5,903,158	\$ 38,315,026

The Notes to the Financial Statements are an integral part of this statement.

DAVIS COUNTY

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2003

Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental:				
General Government	\$ 22,558,382	\$ 6,968,245	\$ 842,113	\$ -
Public Safety	18,936,997	5,667,794	3,358,467	35,494
Public Health	12,620,889	4,973,169	760,853	-
Public Works	2,950,695	-	1,023,838	88,043
Interest and Other Charges	-	-	-	-
on Long-term Debt	302,557	-	-	-
Total Governmental Activities	57,369,520	17,609,208	5,985,271	123,537
Business-type:				
Golf Courses	1,776,900	1,668,078	-	-
Inmates Commissary	326,652	578,157	-	-
Total Business-type Activities	2,103,552	2,246,235	-	-
Total Primary Government	59,473,072	19,855,443	5,985,271	123,537
Component Units:				
Davis Behavioral Health	11,794,075	1,230,934	11,314,353	-
Wasatch Energy	13,242,665	18,191,951	-	-
Total Component Units	\$ 25,036,740	\$ 19,422,885	\$ 11,314,353	\$ -
General Revenues:				
Property Tax				
Sales Tax				
Total Taxes				
Unrestricted Interest Earned				
Gain on Sale of Capital Assets				
Other General Revenues:				
Miscellaneous				
Transfers - Internal Activities				
Other General Revenues - Total				
Total General Revenues, Special Items, and Transfers				
Change in Net Assets				
Net Assets-Beginning				
Net Assets-Ending				

See notes to financial statements.

EXHIBIT B

<u>Net (Expense) Revenue and Changes in Net Assets</u>				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Davis Behav. Health	Wasatch Energy
\$ (14,748,024)	\$ -	\$ (14,748,024)	\$ -	\$ -
(9,875,242)	-	(9,875,242)	-	-
(6,886,867)	-	(6,886,867)	-	-
(1,838,814)	-	(1,838,814)	-	-
-	-	-	-	-
(302,557)	-	(302,557)	-	-
(33,651,504)	-	(33,651,504)	-	-
-	-	-	-	-
-	(108,822)	(108,822)	-	-
-	251,505	251,505	-	-
-	142,683	142,683	-	-
(33,651,504)	142,683	(33,508,821)	-	-
-	-	-	751,212	-
-	-	-	-	4,949,286
\$ -	\$ -	\$ -	\$ 751,212	\$ 4,949,286
26,260,406	-	26,260,406	-	-
11,301,183	-	11,301,183	-	-
37,561,589	-	37,561,589	-	-
108,766	11,563	120,329	-	-
-	-	-	-	-
2,090,425	-	2,090,425	-	361,801
820,535	(820,535)	-	-	-
3,019,726	(808,972)	2,210,754	-	361,801
40,581,315	(808,972)	39,772,343	-	361,801
6,929,811	(666,289)	6,263,522	751,212	5,311,087
72,866,864	4,853,274	77,720,138	5,151,946	33,003,939
\$ 79,796,675	\$ 4,186,985	\$ 83,983,660	5,903,158	38,315,026

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Governmental Fund Financial Statements

General Fund

This fund is the principal operating fund of the County. It accounts for all financial resources of the government except those required to be accounted for in another fund.

Health Fund

This fund accounts for taxes levied, grants, and other revenues and expenditures by the County to provide health services.

Tourism Fund

This fund accounts for transient room tax, restaurant tax, and other revenues and expenditures of the County related to the promotion and development of tourism within the County.

Library Fund

This special revenue fund accounts for the operation of the County's main library and its four branches. The Library Fund's principal revenue source is property taxes.

Flood Control Fund

This fund accounts for all activities of the Public Works Department that relate to the flood channels managed by the County.

General Obligation Debt Fund

This fund accounts for the accumulation of property taxes for the payment of principal, interest, and related costs of the County's general obligation bonds.

Capital Projects / Conference Center Fund

This fund accounts for the cost of construction of the Davis Conference Center.

Nonmajor Governmental Funds

Nonmajor governmental funds are presented individually beginning on page 78.

DAVIS COUNTY

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2003

	General Fund	Health Fund	Tourism Fund	Library Fund
ASSETS:				
Cash and Cash Equivalents	\$ 534,170	\$ 416,965	\$ 1,561,503	\$ 202,328
Accounts Receivable	2,717,251	278,868	477,191	-
Taxes Receivable	786,737	-	-	180,530
Due from other funds	2,665,788	-	-	676,085
Inventories and other assets	149,651	142,933	-	-
TOTAL ASSETS	<u>\$ 6,853,597</u>	<u>\$ 838,766</u>	<u>\$ 2,038,694</u>	<u>\$ 1,058,943</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	1,653,818	308,060	61,707	132,546
Due to other funds	-	-	-	-
Amount Due to Other Governmental Entities	-	-	-	-
Deferred Revenue	786,737	-	-	180,530
TOTAL LIABILITIES	<u>2,440,555</u>	<u>308,060</u>	<u>61,707</u>	<u>313,076</u>
FUND BALANCES				
Reserved for "B" Roads	-	-	-	-
Reserved for Inventories and other assets	149,651	142,933	-	-
Unreserved, reported in:	-	-	-	-
General Fund	4,263,391	-	-	-
Special Revenue Funds	-	387,773	1,976,987	745,867
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
TOTAL FUND BALANCES	<u>4,413,042</u>	<u>530,706</u>	<u>1,976,987</u>	<u>745,867</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,853,597</u>	<u>\$ 838,766</u>	<u>\$ 2,038,694</u>	<u>\$ 1,058,943</u>

See notes to financial statements.

EXHIBIT C

Flood Fund	G/O Debt Fund	Capital Proj. Conf. Ctr. Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,808,990	\$ 7,985,222	\$ 2,595,223	\$ 16,104,401
1,619,197	-	-	832,515	5,925,022
-	74,005	-	9,669	1,050,941
-	487,061	-	2,052,434	5,881,368
-	-	-	308,686	601,270
<u>\$ 1,619,197</u>	<u>\$ 3,370,056</u>	<u>\$ 7,985,222</u>	<u>\$ 5,798,527</u>	<u>\$ 29,563,002</u>
70,708	-	253,797	439,541	2,920,177
1,548,489	-	-	432,163	1,980,652
-	-	-	-	-
-	74,005	-	9,669	1,050,941
<u>1,619,197</u>	<u>74,005</u>	<u>253,797</u>	<u>881,373</u>	<u>5,951,770</u>
-	-	-	1,813,015	1,813,015
-	-	-	95,070	387,654
-	-	-	-	-
-	-	-	-	4,263,391
-	-	-	995,499	4,106,126
-	3,296,051	-	-	3,296,051
-	-	7,731,425	2,013,570	9,744,995
<u>-</u>	<u>3,296,051</u>	<u>7,731,425</u>	<u>4,917,154</u>	<u>23,611,232</u>
<u>\$ 1,619,197</u>	<u>\$ 3,370,056</u>	<u>\$ 7,985,222</u>	<u>\$ 5,798,527</u>	<u>\$ 29,563,002</u>

DAVIS COUNTY**EXHIBIT D****RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENT FUNDS
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2003**

Total fund balance -- governmental funds \$ 23,611,232

Amount reported for governmental activities in the statement of net assets are different because:

Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. These assets consist of:

Land and related non-depreciable assets	27,837,727	
Construction in progress	3,210,500	
Depreciable Infrastructure	17,342,105	
Buildings, equipment, and other depreciable assets	53,050,514	
Accumulated Depreciation	<u>(27,156,705)</u>	
Total Capital Assets		74,284,141

Deferred Charges - MBA payments 1,629,000

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of those internal service funds that primarily benefit governmental entities are included with governmental activities in the statement of net assets. 1,493,065

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds and Line of Credit	(19,123,320)	
Compensated absences	<u>(2,097,443)</u>	
Total Long-Term Debt		<u>(21,220,763)</u>

Total net assets --- governmental activities \$ 79,796,675

See notes to financial statements.

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DAVIS COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund	Health Fund	Tourism Fund	Library Fund
REVENUES:				
Taxes	\$ 27,427,334	\$ -	\$ 2,718,196	\$ 4,452,472
Licenses and permits	210,321	-	-	-
Intergovernmental revenues	1,187,050	5,288,974	-	72,751
Charges for services	8,120,722	2,929,822	389,024	496
Fines and forfeitures	1,520,983	-	-	168,516
Interest	-	-	25,206	-
Miscellaneous	1,081,961	143,348	20,933	11,864
Total	39,548,371	8,362,144	3,153,359	4,706,099
EXPENDITURES:				
Current:				
General government	14,337,909	-	2,589,603	4,193,173
Public safety	16,494,162	-	-	-
Public health	2,020	9,704,511	-	-
Public works	301,968	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	569,888	26,927	-	1,053,230
Total	31,705,947	9,731,438	2,589,603	5,246,403
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	7,842,424	(1,369,294)	563,756	(540,304)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	254,015	1,900,000	-	-
Operating transfers out	(6,134,156)	-	(36,193)	-
Proceeds from the sale of revenue bonds	-	-	-	-
Total	(5,880,141)	1,900,000	(36,193)	-
NET CHANGE IN FUND BALANCES	1,962,283	530,706	527,563	(540,304)
FUND BALANCES, BEGINNING OF YEAR	2,450,759	-	1,449,424	1,286,171
FUND BALANCES, END OF YEAR	\$ 4,413,042	\$ 530,706	\$ 1,976,987	\$ 745,867

See notes to financial statements.

EXHIBIT E

Flood Fund	G/O Debt Fund	Capital Proj. Conf. Ctr. Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 1,866,963	\$ -	\$ 1,096,624	\$ 37,561,589
-	-	-	-	210,321
79,721	-	-	3,160,357	9,788,853
-	-	-	589,279	12,029,343
-	-	-	-	1,689,499
-	33,643	13,672	36,245	108,766
10,283	-	-	822,036	2,090,425
90,004	1,900,606	13,672	5,704,541	63,478,796
-	-	-	614,301	21,734,986
-	-	-	1,474,613	17,968,775
-	-	-	2,785,905	12,492,436
828,670	-	-	824,063	1,954,701
-	1,520,000	-	120,000	1,640,000
-	207,140	-	95,417	302,557
248,291	-	1,390,549	591,125	3,880,010
1,076,961	1,727,140	1,390,549	6,505,424	59,973,465
(986,957)	173,466	(1,376,877)	(800,883)	3,505,331
1,073,005	-	36,194	4,119,667	7,382,881
(86,048)	-	-	(305,948)	(6,562,345)
-	-	9,070,943	-	9,070,943
986,957	-	9,107,137	3,813,719	9,891,479
-	173,466	7,730,260	3,012,836	13,396,810
-	3,122,585	1,165	1,904,318	10,214,422
\$ -	\$ 3,296,051	\$ 7,731,425	\$ 4,917,154	\$ 23,611,232

DAVIS COUNTY**EXHIBIT F****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003**

Net change in fund balance -- total governmental funds	\$ 13,396,809
Amount reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also, donated capital purchases (\$3,880,010) exceeded depreciation (\$2,722,303) during the current period.	1,157,707
Accrued interest on long term debt is not reported as an expenditure for the current period in the fund statement but is recorded as an expense in the statement of activities	(110,581)
The long-term portion of the liability for compensated absences is not recorded in the fund level, but is reported in the statement of net assets. This is the current year change in the liability, reported as an expense in the statement of activities	(120,394)
Repayment of debt is reported in the statement of revenues, expenses, and changes in fund balances but not reported as an expense in the statement of activities.	1,942,680
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	(265,467)
Proceeds from the sale of bonds.	<u>(9,070,943)</u>
Changes in net assets of governmental activities	<u>\$ 6,929,811</u>

See notes to financial statements.

Proprietary Fund Financial Statements

Golf Course Fund

This fund accounts for the operation and financial resources of the two county-owned golf courses - Davis Park and Valley View Golf Course. Revenues come from green fees and other charges to users of the facilities.

Jail Commissary Fund

This fund accounts for the commissary activities related to the operation of the County Jail inmates.

Governmental Activities – Internal Service Funds

These funds account for certain activities that are charged to the other departments on a cost-reimbursement basis. The County maintains internal service funds for Insurance, Telephone, and Buildings and Grounds.

DAVIS COUNTY

EXHIBIT G

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2003

	Major Enterprise Golf Courses	Nonmajor Enterprise Commissary	Total Enterprise Funds	Internal Service Funds
ASSETS				
CASH AND INVESTMENTS	\$ 466,090	\$ 9,113	\$ 475,203	\$ 1,487,315
ACCOUNTS RECEIVABLE	990	650	1,640	16,023
INVENTORIES AND OTHER ASSETS	-	17,634	17,634	-
 CAPITAL ASSETS				
Land	754,258	-	754,258	-
Buildings	1,414,821	-	1,414,821	-
Improvements other than buildings	1,717,417	-	1,717,417	-
Furnishings, fixtures, and equipment	1,804,521	-	1,804,521	686,111
Less accumulated depreciation	(1,815,730)	-	(1,815,730)	(564,310)
TOTAL ASSETS	4,342,367	27,397	4,369,764	1,625,139
 LIABILITIES				
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	60,679	27,397	88,076	117,882
COMPENSATED ABSENCES	94,703	-	94,703	14,192
TOTAL LIABILITIES	155,382	27,397	182,779	132,074
 NET ASSETS				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	3,875,287	-	3,875,287	121,802
UNRESTRICTED	311,698	-	311,698	1,371,263
TOTAL NET ASSETS	\$ 4,186,985	\$ -	\$ 4,186,985	\$ 1,493,065

See notes to financial statements.

DAVIS COUNTY

EXHIBIT H

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Major Enterprise Golf Courses	Nonmajor Enterprise Fund Commissary	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:				
Commissary sales	\$ -	\$ 578,157	\$ 578,157	\$ -
Golf Course green fees	1,501,282	-	1,501,282	-
Rent	32,504	-	32,504	-
Charges to other funds	-	-	-	2,139,558
Other	134,292	-	134,292	1,200
Total	1,668,078	578,157	2,246,235	2,140,758
EXPENSES:				
Salaries, wages, and benefits	1,165,304	83,836	1,249,140	814,652
Cost of goods sold	-	147,483	147,483	-
Operations	472,082	95,333	567,415	1,547,020
Depreciation	139,514	-	139,514	74,467
Total	1,776,900	326,652	2,103,552	2,436,139
OPERATING INCOME	(108,822)	251,505	142,683	(295,381)
NONOPERATING REVENUE:				
Interest revenue	9,053	2,510	11,563	29,914
NET INCOME BEFORE OPERATING TRANSFERS	(99,769)	254,015	154,246	(265,467)
OPERATING TRANSFERS IN	-	-	-	-
OPERATING TRANSFERS OUT	(566,520)	(254,015)	(820,535)	-
NET CHANGE IN ASSETS	(666,289)	-	(666,289)	(265,467)
NET ASSETS, BEGINNING OF YEAR	4,853,274	-	4,853,274	1,758,532
NET ASSETS, END OF YEAR	\$ 4,186,985	\$ -	\$ 4,186,985	\$ 1,493,065

See notes to financial statements.

DAVIS COUNTY

EXHIBIT I

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Major Proprietary Golf Courses	Nonmajor Proprietary Fund Commissary	Proprietary Funds Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 1,501,282	\$ 578,262	\$ 2,079,544	\$ 2,132,408
Cash received from other activities	167,699	-	167,699	1,200
Cash payments for payroll and benefits	(1,147,125)	(83,836)	(1,230,961)	(815,976)
Cash payments for goods and services	(459,660)	(247,995)	(707,655)	(1,502,338)
Net cash provided by operating activities	62,196	246,431	308,627	(184,706)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earned on cash deposits	9,053	2,510	11,563	29,914
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in				
Operating transfers out	(566,520)	(254,015)	(820,535)	-
Net cash provided by (used in) noncapital financing activities	(566,520)	(254,015)	(820,535)	-
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:				
Cash received for property and equipment sales				
Cash payments for property and equipment purchases	(187,569)	-	(187,569)	(72,929)
Net cash provided by (used in) noncapital financing activities	(187,569)	-	(187,569)	(72,929)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(682,840)	(5,074)	(687,914)	(227,721)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,148,930	14,187	1,163,117	1,715,036
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 466,090</u>	<u>\$ 9,113</u>	<u>\$ 475,203</u>	<u>\$ 1,487,315</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ (108,822)	\$ 251,505	\$ 142,683	\$ (295,381)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	139,514	-	139,514	74,467
Change in assets and liabilities:	-	-	-	-
(Increase) decrease in accounts receivable	903	105	1,008	(7,150)
(Increase) decrease in inventories and other assets		2,548	2,548	56,898
Increase (decrease) in accounts payable and accrued liabilities	12,422	(7,727)	4,695	(12,216)
Increase (decrease) in compensated absences	18,179	-	18,179	(1,324)
Total adjustments	171,018	(5,074)	165,944	110,675
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 62,196</u>	<u>\$ 246,431</u>	<u>\$ 308,627</u>	<u>\$ (184,706)</u>

See notes to financial statements.

Fiduciary Fund Financial Statements

County Agency Fund

This fund accounts for monies received by the County; on behalf of third parties pending litigation, for county-wide tax collections pending final distribution, and deposits held in trusts for outside parties related to construction and development costs.

Treasurer Tax Collection Fund

This fund accounts for the receipts and disbursements of property taxes for the taxing entities of Davis County.

Employee Benefits Funds

These funds account for monies collected from County employees in accordance with Internal Revenue Code sections related to deferred compensation plans.

DAVIS COUNTY**EXHIBIT J****STATEMENT OF FIDUCIARY NET ASSETS
AS OF DECEMBER 31, 2003**

	<u>County Agency</u>	<u>Treasurer's Tax Collection</u>	<u>Employee Benefits</u>	<u>Total</u>
ASSETS				
CASH AND INVESTMENTS	\$ 579,835	\$ 6,339,404	\$ 41,965	\$ 6,961,204
RESTRICTED ASSETS - Cash and investments	-	33,504,081	-	33,504,081
ACCOUNTS RECEIVABLE	<u>1,261,019</u>	<u>243,618</u>	<u>24,940</u>	<u>1,529,577</u>
TOTAL ASSETS	<u>\$ 1,840,854</u>	<u>\$ 40,087,103</u>	<u>\$ 66,905</u>	<u>\$ 41,994,862</u>
LIABILITIES				
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 1,840,854	\$ 2,682,306	\$ 66,905	\$ 4,590,065
DUE TO OTHER FUNDS	-	3,900,716	-	3,900,716
DUE TO OTHER GOVERNMENTAL ENTITIES	<u>-</u>	<u>33,504,081</u>	<u>-</u>	<u>33,504,081</u>
TOTAL LIABILITIES	<u>\$ 1,840,854</u>	<u>\$ 40,087,103</u>	<u>\$ 66,905</u>	<u>\$ 41,994,862</u>

See notes to financial statements.

Under paragraph 110 of GASB34, agency funds should not be reported in the statement of changes in fiduciary net assets. Davis County only has agency funds in the Statement of Fiduciary Net Assets. Thus, no Statement of Changes in Fiduciary Net Assets is required.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

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DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Davis County (the County) conform in all material respects to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. As discussed in Note 2, the County implemented significant new financial reporting standards for the year ended December 31, 2003, which affects this report's comparability with prior years' reports.

The following is a summary of the County's significant accounting policies.

A. Reporting Entity

The County is incorporated under the constitutional provisions of the State of Utah. The County operates under a Commission form of government where the three-member elected Commission has budgetary authority over all county departments and is accountable for all fiscal matters. County property taxes and sales taxes fund a significant portion of the costs of providing services to citizens including public safety, public health, judicial services, public works, social services, tourism promotion, libraries, assessing and collecting property taxes, and general administrative services.

The Comprehensive Annual Financial Report (CAFR) of the County includes the financial statements for all activities of the County based on the criteria set forth in GASB Statement 14. The primary criteria for including a board or agency in the CAFR is financial accountability, meaning the County appoints a majority of an organization's governing body *and* either 1) the County can impose its will on the organization, or 2) the organization has the potential to provide specific financial benefits to, or impose specific financial burdens on the County. Other criteria include whether a board or agency is fiscally dependent on the County or whether the relationship with the organization is such that it would be misleading to exclude it from the County's financial statements.

Blended component units, although legally separate entities, are in substance part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the County.

Blended Component Units

The Municipal Building Authority of Davis County is governed by a three-member board comprised of the County Commissioners. Its sole purpose is to finance public facilities. Activities for the Municipal Building Authority are blended with the County's special revenue funds and debt service funds. Separate financial statements are not issued or required for the Authority.

The Municipal Building Authority is considered to be a blended component units because the governing body is the same as the governing body of Davis County.

Discretely Presented Component Units

Davis Behavioral Health (DBH) - Although the County is named as the legal behavioral health authority by State law, the County has contracted with DBH to deliver these services. DBH provides complete evaluation and treatment for behavioral health and substance abuse. The County provides significant support to these behavioral health services. Payments during 2003 were \$700,000 and pass through grants were \$4,804,777. Related party items at December 31, 2003 consisted of \$789,674 accounts payable from the County to DBH.

DBH has been determined to be a discretely presented component unit of the County. DBH is a nonprofit corporation exempt from federal tax under Section 501(c)(3) of the Internal Revenue Code. The basic criterion for including DBH as a component unit is the financial statements may be misleading if Davis Behavioral Health were not included. Separate financial statements for DBH may be obtained from Davis Behavioral Health, 291 South 200 West, Farmington, Utah 84025.

Wasatch Energy (W/E) - W/E is a regional refuse incinerator. It services the entire area of Davis County except Bountiful City and also all of Morgan County. Energy created from the refuse incineration is sold to Hill Air Force Base in the form of steam. W/E is a special service district created by the County to construct and operate the waste to energy incinerator plant.

W/E has been determined to be a discretely presented component unit of the County. The County has a minority position in the management of W/E. Only three of the nineteen trustee positions are held by the County Commission. The basic criterion for including W/E as a component unit is that W/E is fiscally dependent on the County. The County Commission created W/E and has the authority to dissolve the entity. Separate financial statements for W/E may be obtained from Wasatch Energy, 650 East Highway 193, Layton, Utah 84041.

The presentations for Davis Behavioral Health and also Wasatch Energy are as of their fiscal year-ends, June 30, 2003.

The County Commissioners are also responsible for appointing or approving the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

B. Government-wide And Fund Financial Statements

The County's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the County as a whole, while the fund statements focus on individual funds.

Government-wide Financial Statements

The government-wide statements present information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effects of interfund activity have been eliminated from the government-wide statements except for the residual amounts due between governmental and business-type activities.

The *Statement of Net Assets* presents the County's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are restricted when constraints placed upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The County does not allocate general government (indirect) expenses to other functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements

The financial transactions of the County are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for *governmental*, *proprietary*, and *fiduciary funds*. For governmental and proprietary funds, the emphasis is on *major funds*, with each displayed in a separate column.

The County reports the following major governmental funds:

- **General Fund** – This fund is the principal operating fund of the County. It is used to account for all financial resources not required to be accounted for in another fund.
- **Health Fund** – This special revenue fund accounts for all activities of the County Health Department.
- **Tourism Fund** – This special revenue fund accounts for operations funded by the County levied tourism taxes
- **Library Fund** – This special revenue fund accounts for the operations of the County's main library and three branches.
- **Flood Control Fund** – This special revenue fund accounts for all activities of the Public Works Department that relate to the flood channels managed by Davis County.
- **General Obligation Debt Service Fund** – This fund accounts for the accumulation of property taxes for the payment of principal, interest, and related costs on the County's general obligation bonds.
- **Capital Projects Fund / Conference Center Fund** – This fund accounts for the construction of the Davis County Conference Center which was funded by a \$9,000,000 revenue bond issued in 2003.

Davis County's nonmajor governmental funds accounts for specific revenue sources that are legally restricted to expenditures for specific purposes. Funds included are Aging Services, Strike Force, Dispatch, Municipal Building Authority Operations, Special Service Area (unincorporated municipal services), Municipal Building Authority Debt Service, Capital Projects / Revolving funds. The nonmajor funds are grouped together in a single column in the basic financial statements, and they are displayed individually in the combining statements.

The County reports the following proprietary funds:

- **Golf Courses Fund** – This fund accounts for the operations of the County owned golf courses.
- **Commissary Fund** – This fund accounts for the sale of items available to inmate in the jail.
- **Internal Service Funds** – These funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County maintains internal service funds for risk management, telephone systems, and buildings and grounds operations. Internal service funds are reported in a single column on the proprietary fund statements and are combined with governmental activities on the government-wide statements. They are also displayed individually in the combining statements.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

The County reports the following fiduciary funds:

- **County Agency Fund** – This fund accounts for the receipt and disbursement for monies passed through the County to other entities.
- **Treasurer's Tax Collection Agency Fund** – This fund accounts for the collection and disbursement of property taxes for all taxing entities in Davis County.
- **Employee Benefits Agency Fund** – This fund accounts for monies held by the County in the payroll process until paid out for taxes, insurances, bonds, etc.

C. Measurement Focus And Basis Of Accounting

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other taxes and fees are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

The proprietary and fiduciary fund statements are also prepared using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating items, such as interest expense and investment earnings, result from non-exchange transactions or ancillary activities.

For business-type activities and enterprise funds, the County follows all GASB pronouncements and all Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those standards conflict with a GASB pronouncement.

The governmental fund financial statements are prepared and reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Expenditures are generally recorded when the related liability is incurred.

D. Assets, Liabilities, And Fund Balances/ Net Assets

Following are the County's significant policies regarding recognition and reporting of certain assets, liabilities, and equity.

Cash and Investments

Cash and cash equivalents consist primarily of demand deposits with financial institutions and short-term investments with original maturities of three months or less from the purchase date. Investments include non-pooled investments and certificates of deposit with original maturities greater than three months. All cash equivalents and investments are stated at fair value.

Accounts Receivable

Receivables from other governments are reasonably assured; accordingly, no allowance for uncollectible accounts has been established.

Taxes Receivable

Taxes receivable include accrued amounts for sales taxes and delinquent property taxes. Property taxes attach as an enforceable lien on property on January 1st of each year. Taxes are levied on property owners in July and are payable by November 30th. The County bills and collects property taxes for all taxing entities within the county through the Treasurer's Tax Collection Agency Fund. Collections are periodically distributed to the taxing entities, with final settlement due March 31st of the subsequent year. The County records a receivable and deferred revenue for delinquent taxes, but no allowance for doubtful accounts is made as uncollected taxes are deemed to be substantially collectible or recoverable through foreclosure.

Inventories and other assets

Inventories are valued at cost using the FIFO method and are accounted for under the consumption method. Inventories in governmental funds are offset by a fund balance reserve that indicates they do not constitute "available spendable resources," even though they are a component of net current assets.

Amounts paid to vendors for goods and services applicable to future accounting periods are recorded as other assets.

Capital Assets

The County defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost where historical cost information is not available. Donated capital assets are recorded at estimated fair value on the date of donation.

Capital assets purchased by governmental funds are recorded as expenditures in the governmental fund statements. Interest expense for capital asset construction related to governmental activities is not capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

Infrastructure improvements, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Infrastructure Improvements	30
Buildings	40
Equipment	5 - 10

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Compensated Absences and Post-employment Benefits

County employees accrue vacation leave up to a maximum of 360 hours according to the following schedule:

<u>Years of Service</u>	<u>Hours Accrued Per Pay Period</u>
0 – 5 years	4.00 (13 days per year)
6 – 10 years	4.93 (16 days per year)
11 – 15 years	5.85 (19 days per year)
Over 15 years	6.77 (22 days per year)

Employees are allowed to carry up to 360 hours of unused vacation leave into the next calendar year, and all unused vacation leave is paid to employees upon termination. Employees may also earn compensatory time but only at the discretion of the employee's supervisor. The rate is one and one-half hours for each hour worked, with a maximum of 80 hours that can be accrued.

Vacation and compensatory leave are recorded as an expenditure when used in governmental funds and as an expense when earned in proprietary funds and in the government-wide statements. A liability for unused vacation and compensatory leave is recorded in the government-wide Statement of Net Assets.

Permanent full-time employees accrue sick leave at a rate of 3.7 hours for each two-week pay-period while part-time merit employees accrue sick leave at a pro-rated portion. There is no limit to the amount of sick leave accumulated. Once each year an eligible employee can convert 1/3 of that year's unused sick leave to vacation hours or pay. Sick leave is recorded as an expenditure/expense when used in all funds, and no liability is recorded for unused sick leave.

Upon retirement, the County may pay the employee up to 1/3 of unused accumulated sick leave hours. The employee may also use this amount to acquire health insurance to age 65. The County may also pay for premiums to maintain health and dental insurance coverage for up to five years or until the employee turns 65, whichever comes first.

Expenditures for post-employment healthcare are recognized as premiums are paid. During 2003 Davis County incurred \$99,205 in such expenditures for 25 former employees, 19 of whom were still eligible for post-employment benefits as of December 31, 2003.

Long-term Obligations

In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized as expenditures in the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The face amount of debt issued is reported as other financing sources.

Net Assets/Fund Balances

The difference between assets and liabilities is *net assets* on the government-wide, proprietary fund, and fiduciary fund statements, and *fund balance* on the governmental fund statements.

In the governmental fund statements, fund balances are classified as reserved or unreserved. Reserves represent those portions of fund balance that are not appropriable for expenditure or are legally segregated for a specific future use. Unreserved fund balances are available for future appropriation, though some portions may be designated to represent management's tentative plans for specific future uses.

E. Revenues and Expenditures

Following are the County's significant policies related to recognition and reporting of certain revenues, expenditures.

Revenue Availability

Under the modified accrual basis of accounting, revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Davis County considers property tax revenues to be

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

“available” if they are collected by the Treasurer’s Tax Collection Agency Fund before year-end. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues, including sales taxes, are considered to be available if they are collected within 60 days after year-end.

Expenditure Recognition

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the County generally uses restricted resources first, then unrestricted resources.

F. Interfund Activity and Balances

Government-wide Statements

In general, eliminations have been made to minimize the double counting of internal activity, including internal service fund type activity. However, interfund services provided and used between different functional categories have not been eliminated in order to avoid distorting the direct costs and program revenues of the applicable functions. Interfund receivables and payables have been eliminated from the Statement of Net Assets, except for the residual amounts due between governmental and business-type activities, which are shown as “internal balances.”

Governmental Fund Statements

Interfund transactions for goods and services provided and used are reported as revenues and expenditures/expenses in the funds involved. Cash transfers between funds of the County are reported as other financing sources and uses in the governmental fund statements.

G. Budgeting And Budgetary Control

Annual budgets are prepared and adopted before December 31 for the calendar year commencing the following January 1 in accordance with the Uniform Fiscal Procedures Act for Utah Counties. Once a budget has been adopted, it remains in effect until it has been formally revised. If any obligations are contracted for in excess of the adopted budget, they are not a valid or enforceable claim against the County. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Adopting the Annual Budget

Each Fall the Clerk/Auditor submits a tentative operating budget to the County Commission for the calendar year commencing the following January 1st. The operating budget includes proposed expenditures and the means of financing them. The tentative operating budget is reviewed and tentatively adopted by the County Commission on or before November 1st.

Prior to December 31, the County Commission sets a date for a public hearing at which time the taxpayers’ comments are heard. Copies of the proposed budget are made available for public inspection ten days prior to the budget hearing. After the budget hearing, the tentative budget, with any amendments is legally enacted through passage of a resolution. A copy of the budget is certified by the Clerk/Auditor and filed with the State Auditor within thirty days of adoption. A copy of the budget is available to the public after adoption.

Control of budgeted expenditures is exercised, under state law, at the department level. Administrative control is maintained through detailed line-item budgets for all departments. All appropriations lapse at the end of the calendar year.

Budgets for the General Fund, special revenue, debt service, and capital projects funds are legally required and are prepared and adopted on the modified accrual basis of accounting. Budgets for proprietary funds are not legally required

Modifying the Adopted Budget

Transfers of unexpended appropriations from one expenditure account to another in the same department can be made by consent of the department heads. Transfers of unexpended appropriations from one department to another department, as well as budget reductions for any department, may be made with consent of the Commission. Expenditure appropriations of the General Fund may be increased by resolution only after a public hearing. Any other fund appropriation may be increased after giving public notice that the County Commission will consider such a matter. Notice must be published seven days in advance of the meeting to consider the action. During 2003, the County modified various budgets using the above procedure.

Current Year Excess of Expenditures Over Appropriations

For the year ended December 31, 2003, expenditures exceeded appropriations for Aging Services by \$38,372 and for Strike Force by \$8,524. These over-expenditures were funded by additional grant monies. The additional appropriation approvals were missed in the budget reviews.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

NOTE 2. ACCOUNTING CHANGES AND RESTATEMENTS – New Accounting Standards

The County implemented the following new accounting standards issued by the Governmental Accounting Standards Board for the year ended December 31, 2003:

Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

Statement 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*.

Statement 38, *Certain Financial Statement Note Disclosures*.

Statement 34, as amended by Statement 37, establishes new financial reporting standards for state and local governments. The new standards significantly change the financial reporting model used by all governments, including changes in statement formats, fund types, and criteria for determining fund types. Statement 34 also requires capital assets, including infrastructure assets, and general long-term obligations to be reported in the government-wide financial statements rather than in account groups. Infrastructure assets were previously excluded from the financial

The provisions of these new standards have been incorporated into the financial statements and notes. The table on the next page summarizes the changes to fund equities as previously reported and the beginning fund balances/net assets as restated and reported in these financial statements. These changes resulted primarily from implementing the new accounting standards.

Restatement of Beginning Fund Balances / Net Assets

	December 31, 2002 As Previously Reported	Changes in Accounting Principle		December 31, 2002 As Restated
		Fund Reclassifications	Other	
Governmental Funds – Fund Balances:				
General Fund	\$ 2,450,759	\$ —	\$ —	\$ 2,450,759
Health Fund	—	—	—	—
Tourism Fund	1,449,424	—	—	1,449,424
Library Fund	1,286,171	—	—	1,286,171
Flood Fund	—	—	—	—
General Obligation Debt Service Fund	3,122,585	—	—	3,122,585
Capital Projects Conference Ctr. Fund	1,165	—	—	1,165
Nonmajor Funds	1,904,318	—	—	1,904,318
Total Governmental Funds	10,214,422	—	—	10,214,422
Governmental Activities – Net Assets:				
Capital Assets, net of depreciation	—	—	75,227,867	75,227,867
Long-term Liabilities	—	—	(14,043,049)	(14,043,049)
Revenue Recognition	—	—	(290,908)	(290,908)
Internal Service Fund Conversion	—	1,758,532	—	1,758,532
Total Governmental Activities	—	1,758,532	60,893,910	62,652,442
Total Governmental Activities – Net Assets	\$ 10,214,422	\$ 1,758,532	\$ 60,893,910	\$ 72,866,864
Proprietary Funds – Net Assets:				
Enterprise Funds:				
Golf Courses Fund	\$ 4,853,274	\$ —	\$ —	\$ 4,853,274
Commissary Fund	—	—	—	—
Internal Service Funds	1,758,532	(1,758,532)	—	—
Total Proprietary Funds	6,611,806	(1,758,532)	—	4,853,274
Business-type Activities – Net Assets:				
Internal Service Fund Conversion	—	—	—	—
Total Business-type Activities – Net Assets	\$ 6,611,806	\$ (1,758,532)	\$ —	\$ 4,853,274
Fiduciary Funds:				
Agency Trust Funds – Net Assets	\$ 40,345,545	\$ —	\$ —	\$ 40,345,545
Agency Funds – Total Assets	\$ 40,345,545	\$ —	\$ —	\$ 40,345,545

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

NOTE 3. DEPOSITS AND INVESTMENTS

A. Deposits

Utah statutes do not require deposits to be collateralized. The County follows the requirements of the Utah Money Management Act (the Act) in handling its depository transactions. The Act requires all deposits of County funds to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. The County's deposits are categorized by level of credit risk as follows:

Category 1 (the least amount of risk) includes deposits with financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC).

Category 2 includes uninsured deposits collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Category 3 (the most amount of risk) includes uninsured or uncollateralized funds held by the pledging financial institution, or by its trust department or agent, but not in the County's name, that could be lost if the financial institution fails.

At December 31, 2003, the carrying amount of deposits was \$18,066,920 and the bank balance was \$19,138,832. Of the bank balance, \$200,000 and \$18,938,832 were included in categories 1 and 3, respectively. The County does not have any deposits in Category 2.

B. Investments

As required by the Act, investment transactions are to be conducted through qualified depositories or primary reporting dealers. Permitted investments include deposits of qualified depositories, repurchase agreements, commercial paper rated P-1 by Moody's or A-1 by Standard and Poors, Inc., bankers acceptances, obligations of the U.S. Treasury, and certain tax anticipation and general obligation bonds. The County is also authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), a pooled investment fund managed by the State Treasurer and subject to the Utah Money Management Act requirements. Investments are categorized by level of credit risk similar to deposits.

Category 1 includes investments that are insured or registered or for which the securities are held by the County or the County's agent in the County's name.

Category 2 includes insured and unregistered investments for which securities are held by the counterparty's trust department or agent in the County's name.

Category 3 includes uninsured and unregistered investments for which securities are held by the counterparty, or by its trust department or agent, but not in the County's name.

Investment held in a pooled fund requires no risk categorization. All County investments are held in the Utah Public Treasurer's Investment Fund (the Fund), a pooled investment fund managed by the Utah State Treasurer and are thus not categorized.

The Fund is part of the public funds regulated by the Utah Money Management Act described above. Investments in the Fund have an average original maturity of less than three months and are considered cash equivalents; thus, the value of the pool shares is the same as the fair value of the position in the pool as allowed by GASB 31 fair value disclosure requirements. The county does not have any assets that qualifies as investments.

NOTE 4. INTERFUND BALANCES AND LOANS

Interfund balances result from time lags between the dates that property taxes are collected in the Treasurer's Tax Collection Agency Fund and the date of distributing those taxes to the individual County funds. Interfund balances also arise as the pooled-cash balance of a specific fund becomes negative, thus technically drawing on the pooled-cash of other funds. Interfund balances and loans at December 31, 2003 consisted of the following amounts:

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

Major Funds:	
General fund	\$ 2,665,788
Library	676,085
Debt Service G/O Bonds	487,061
Nonmajor Funds:	
Special Service Area	71,782
Capital Projects / Revolving	<u>1,980,652</u>
Total due from other funds	<u>\$ 5,881,368</u>
Major Funds - Flood Control	1,548,489
Nonmajor Funds:	
Aging Services	432,163
Treasurer's Tax Collection Agency Fund	<u>3,900,716</u>
Total due to other funds	<u>\$ 5,881,368</u>

NOTE 5. INTERFUND TRANSFERS

Transfers between funds occur primarily to finance programs accounted for in one fund with resources collected in other funds in accordance with budgetary authorizations. For Davis County, transfers from the General Fund are made as the County's general taxing commitment to state and federal Aging Services and Health programs and also to county dispatch and flood control programs. The transfers from the Golf Courses Fund to the Capital Projects / Revolving Fund are made to repay the monies used in 2002 for the Golf Course to expand the clubhouse at Davis Park. Interfund transfers for the year ended December 31, 2003 are shown in the following table.

	Transfer In		Transfer Out	
Major Funds:				
General Fund	\$ 254,015	a	\$ 6,134,156	b
Health Fund	1,900,000	b		
Tourism Fund			36,193	c
Flood Control Fund	1,073,005	b	86,048	d
Capital Project Conf. Ctr. Fund	36,193	c		
Golf Course Fund			566,520	e
Commissary Fund			254,015	a
Nonmajor Funds:				
Aging Services Fund	617,579	b		
Dispatch Fund	743,572	b		
MBA Operating Fund			215,417	f
Special Service Area Fund	86,048	d		
MBA Debt Service Fund	215,417	f		
Capital Projects / Revolving Fund	1,800,000	b		
Capital Projects / Revolving Fund	<u>566,520</u>	e		
Total Transfers In and Transfers Out	<u>\$ 7,292,349</u>		<u>\$ 7,292,349</u>	

- a) The General Fund received the net revenues of the Commissary fund to support the jail general operations.
- b) The General Fund transferred general tax monies as the County support of Aging Services, Health programs, Flood Control, Aging Services and Dispatch. The General Fund also transferred \$1,800,000 to the Capital Projects / Revolving Fund for future years projects.
- c) The Tourism Fund transferred \$36,193 to the Capital Project Conference Center Fund to cover construction costs not planned for the bond proceeds.
- d) The Flood Control Fund transferred \$86,048 to the Special Service Area Fund to rent heavy equipment used in flood projects.
- e) The Golf Courses Fund transferred \$566,520 to the Capital Projects / Revolving Fund to pay for the expansion of the Davis Park clubhouse.
- f) The MBA Operating Fund transferred \$215,417 to the MBA Debt Service Fund to make the 2003 debt payments.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003 was as follows:

	Capital Assets			
	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 10,495,327	\$ -	\$ 2,112,884	\$ 8,382,443
Infrastructure	19,455,284	-	-	19,455,284
Construction in Process	1,807,148	1,403,352	-	3,210,500
Total	<u>31,757,759</u>	<u>1,403,352</u>	<u>2,112,884</u>	<u>31,048,227</u>
Capital assets being depreciated:				
Buildings and Improvements	\$ 41,610,195	\$ 1,911,406	\$ 70,626	\$ 43,450,975
Equipment	9,200,501	1,114,580	715,542	9,599,539
Infrastructure	17,093,814	248,291	-	17,342,105
Total	<u>67,904,510</u>	<u>3,274,277</u>	<u>786,168</u>	<u>70,392,619</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 11,332,478	\$ 1,149,167	\$ 70,626	\$ 12,411,019
Equipment	6,219,608	1,781,234	715,542	7,285,300
Infrastructure	6,882,316	578,070	-	7,460,386
Total	<u>24,434,402</u>	<u>3,508,471</u>	<u>786,168</u>	<u>27,156,705</u>
Capital assets being depreciated, net	<u>43,470,108</u>	<u>(234,194)</u>	<u>-</u>	<u>43,235,914</u>
Governmental Activity Capital Assets, Net	<u>\$ 75,227,867</u>	<u>\$ 1,169,158</u>	<u>\$ 2,112,884</u>	<u>\$ 74,284,141</u> ***
Business-type Activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 2,438,524	\$ 33,151	\$ -	\$ 2,471,675
Capital assets being depreciated:				
Buildings and Improvements	1,352,719	62,102	-	1,414,821
Equipment	1,712,205	92,316	-	1,804,521
Total	<u>3,064,924</u>	<u>154,418</u>	<u>-</u>	<u>3,219,342</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	560,215	49,043	-	609,258
Equipment	1,116,001	90,471	-	1,206,472
Total	<u>1,676,216</u>	<u>139,514</u>	<u>-</u>	<u>1,815,730</u>
Capital assets being depreciated, net	<u>1,388,708</u>	<u>14,904</u>	<u>-</u>	<u>1,403,612</u>
Business-type Activities Capital Assets, Net	<u>\$ 3,827,232</u>	<u>\$ 48,055</u>	<u>\$ -</u>	<u>\$ 3,875,287</u>

*** Capital Assets in the Statement of Net Assets also includes the Buildings, Equipment, and other Depreciable Assets, net of Accumulated Depreciation, for the Internal Service Funds of 121,801.

Depreciation expense of governmental activities was charged to functions as follows:

General Government	\$ 629,934
Public Safety	968,222
Public Health and Welfare	128,453
Public Works	995,994
Depreciation on capital assets of the County's internal service funds is charged to the various functions based on their usage of assets	74,167
Total	<u>\$ 2,796,770</u>

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

NOTE 7. SHORT-TERM DEBT

On June 11, 2003, Davis County issued \$11.7 million of tax anticipation notes at .95 percent interest. This short-term borrowing was necessary to meet operating needs prior to collection of property taxes in November. Total interest on these notes was \$129,350, and total principal and interest on the notes was paid in full on December 30, 2003.

NOTE 8. LONG-TERM LIABILITIES

A. Changes in Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2003 were as follows:

	Long-term Liabilities				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 6,500,000	\$ —	\$ 1,520,000	\$ 4,980,000	\$ 1,600,000
Revenue Bonds	—	9,000,000	—	9,000,000	345,000
Municipal Building Revenue Bonds	1,749,000	—	120,000	1,629,000	132,000
Lease/Purchase line of credit	3,817,000	—	302,680	3,514,320	274,683
Compensated Absences	1,977,049	1,364,429	1,244,035	2,097,443	209,744
Total Governmental Long-term Liabilities. ...	<u>\$ 14,043,049</u>	<u>\$ 10,364,429</u>	<u>\$ 3,186,715</u>	<u>\$21,220,763</u>	<u>\$ 2,561,427</u>

The compensated absence liability of governmental activities is liquidated in the General Fund, special revenue fund, or internal service fund where the related employing department operates.

Business-type Activities:

(There is no debt associated with the Business-type Activities of Davis County.)

Additional information related to these long-term liabilities is found in the following tables including debt service requirements to maturity

B. General Obligation Bonds

During 2001, the County issued \$6.645 million of Series 2001 general obligation bonds to refund a portion of the Series 1992 general obligation bonds. General Obligation Bonds Payable at December 31, 2003 consists of the following:

General Obligation Bonds Payable					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2003
2001 Refunding Bonds.....	12/01/01	12/01/06	3.60%	\$ 6,645,000	\$ 4,980,000
Total General Obligation Bonds Payable, net					<u>\$ 4,980,000</u>

General Obligation Bonds – Debt Service Requirement to Maturity

Series 2001		
Year	Principal	Interest
2004	\$ 1,600,000	\$ 150,480
2005	1,645,000	92,070
2006	1,735,000	31,230
Total	<u>\$ 4,980,000</u>	<u>\$ 138,348</u>

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

C. Sales Tax Revenue Bonds

During 2003, the County issued \$9,000,000 in revenue bonds to finance the construction of the Davis County Conference Center. Revenue Bonds Payable at December 31, 2003 consists of the following:

Sales Tax Revenue Bonds Payable					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2003
2003 Conference Center A (taxable)	10/23/03	10/23/06	2.00% to 2.80%	\$ 750,000	\$ 750,000
2003 Conference Center B (non-taxable) ..	10/23/03	10/01/23	2.00% to 5.25%	8,250,000	8,250,000
Total Sales Tax Revenue Bonds Payable.....					<u>\$ 9,000,000</u>

Sales Tax Revenue Bonds – Debt Service Requirement to Maturity						
	Series 2003A (taxable)		Series 2003B (non-taxable)		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 345,000	\$ 14,957	\$ —	\$ 335,899	\$ 345,000	\$ 350,856
2005	330,000	9,030	—	357,763	330,000	366,793
2006	75,000	2,100	265,000	357,763	340,000	359,863
2007	—	—	345,000	352,462	345,000	352,462
2008	—	—	355,000	345,045	355,000	345,045
2009 – 2013 ...	—	—	1,935,000	1,559,690	1,935,000	1,559,690
2014 – 2018 ...	—	—	2,345,000	1,147,898	2,345,000	1,147,898
2019 – 2023 ...	—	—	3,005,000	489,562	3,005,000	489,562
Total	<u>\$ 750,000</u>	<u>\$ 26,087</u>	<u>\$ 8,250,000</u>	<u>\$ 4,946,082</u>	<u>\$ 9,000,000</u>	<u>\$ 4,972,169</u>

D. Lease Revenue Bonds

During 2003, the Municipal Building Authority did not issue any new lease revenue bonds. Lease Revenue Bonds Payable at December 31, 2003 consists of the following:

Lease Revenue Bonds Payable					
	Issue Date	Maturity Date	Interest Rate	Original Amount	Balance December 31, 2003
1994 Head Start	6/15/94	06/15/09	2.00% to 2.08%	\$ 1,165,000	\$ 555,000
2001 Wasatch Front Regional Council	9/04/01	09/04/19	2.00% to 5.25%	1,153,000	1,074,000
Total Lease Revenue Bonds Payable.....					<u>\$ 1,629,000</u>

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

Lease Revenue Bonds – Debt Service Requirement to Maturity

	Series 1994		Series 2001		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 90,000	\$ 32,541	\$ 42,000	\$ 51,708	\$ 132,000	\$ 84,249
2005	90,000	27,243	44,000	49,847	134,000	77,090
2006	100,000	21,680	46,000	47,771	146,000	69,451
2007	105,000	15,605	48,000	45,510	153,000	61,115
2008	110,000	8,966	50,000	43,127	160,000	52,093
2009 – 2013	60,000	1,905	293,000	174,871	353,000	176,776
2014 – 2018	—	—	371,000	94,842	371,000	94,842
2019	—	—	180,000	7,712	180,000	7,712
Total	<u>\$ 555,000</u>	<u>\$ 107,940</u>	<u>\$ 1,074,000</u>	<u>\$ 515,388</u>	<u>\$ 1,629,000</u>	<u>\$ 623,328</u>

E. Lease / Purchase line of credit

On January 22, 2002 Davis County entered into a financing agreement with Zions First National Bank to provide a maximum of \$5,400,000 to pay for preliminary site improvements on a jail expansion and other small projects. The lease requires annual appropriations by the County Commission and is secured by the improvements that are being constructed. The interest rate is variable at 70 percent of the Prime Lending Rate of the Bank. Lease payments are made annually.

To date \$3,870,000 has been drawn from the line of credit. As part of the November 2004 general election, Davis County voters will be asked to approve a bond for the entire construction project. It is anticipated that the line of credit will be made part of the requested bond amount and this debt will be paid off from the proceeds of the long-term general obligation borrowing early in 2005.

NOTE 9. FUND BALANCES

Reserved

Davis County's reserved fund balances represent amounts that are legally restricted for specific purposes by external contracts, bond agreements, or county ordinances. Fund balances are also reserved for encumbrances, inventories, and interfund loans as these amounts are not available for future appropriation or expenditure. The purposes for the reservations are noted on the face of the statements.

NOTE 10. RETIREMENT PLANS

A. Pension Plans

Davis County contributes to the Local Government Contributory Retirement System, the Local Government Noncontributory Retirement System, and the Public Safety Retirement System (collectively, the Systems), all of which are cost-sharing multiple-employer defined benefit pension plans. The Systems are administered by Utah Retirement Systems (URS) under the direction of the URS Board, which consists of the State Treasurer and six members appointed by the governor. URS is established under and governed by Title 49 of *Utah Code Annotated, 1953*, as amended (UCA). URS publishes an annual financial report that includes financial statements and required supplementary information for all retirement systems and deferred compensation plans administered by it. Copies of the report may be obtained by writing to Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102; by calling 1-800-365-8772; or by visiting www.urs.org.

Retirement benefits, as specified by UCA Title 49, cover substantially all employees of the State, public education, and other political subdivisions of the State. Only the State Legislature can modify benefits. The Systems provide pension, death, and disability benefits for employees who meet all eligibility requirements. Employees are eligible for retirement benefits upon attainment of the age specified for their employment classification or a combination of age plus years of service. A brief summary of eligibility, benefits, and contribution rates of the Systems is provided in the table below.

Expenditures or expenses for retirement costs are recorded in the County's funds as contributions are made to the Systems. Contributions made each year were equal to the contributions required by the County's contract with URS. Therefore, the County has no liability for pension obligations.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

	Local Government		Public Safety System
	Contributory System	Noncontributory System	
Highest Average Salary	Highest 5 Years	Highest 3 Years	Highest 3 Years
Years of Service and Age of Eligibility	30 years any age 20 years age 60 (a) 10 years age 62 (a) 4 years age 65	30 years any age (a) 25 years any age (a) 20 years age 60 (a) 10 years age 62 (a) 4 years age 65	20 years any age 10 years age 60 4 years age 65
Benefit Percent per Year of Service	1.10% to June 1967 1.25% to June 1975 2.00% thereafter	2.00% per year	2.50% per year up to 20 years 2.00% per year over 20 years Benefit cannot exceed 70% of final average salary.
Annual Cost of Living Adjustment	up to 4.00%	up to 4.00%	up to 2.50%
2003 Rates as Percent of Covered Payroll:			
Employer	4.19% to 4.68%	9.62%	4.52% to 16.24%
Member	6.00% (b)	0.00%	0.00% to 12.29% (b)
Actual County Contributions Made, by year:			
2003	\$ 40,121	\$ 1,476,172	\$ 995,261
2002	\$ 40,532	\$ 1,465,806	\$ 974,514
2001	\$ 41,739	\$ 1,528,057	\$ 1,027,741

(a) Requires full actuarial reductions

(b) All or part may be paid by the County for the employee

B. Deferred Compensation Plans

The County participates in a 401(k) Plan and a 457 Plan (collectively, the Plans), both of which are defined contribution plans administered by URS. The Plans are in addition to the retirement benefits outlined above. Voluntary contributions may be made to the Plans subject to URS and Internal Revenue Service limitations. The County contributes a matching amount up to 3.50 percent of eligible employees' salaries to the 401(k) Plan, and employees may contribute to both Plans up to maximum percentages allowed by IRS regulations.

Account balances of the Plans are fully vested to the participants at the time of deposit. All assets and income of the Plans are held by URS for the exclusive benefit of the participants or their beneficiaries. For the year ended December 31, 2003, Davis County contributed \$989,772 to employees' 401(k) Plans.

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases commercial insurance through the Utah Counties Insurance Pool to mitigate the costs of these risks. The County's responsibility extends only to payment of premiums, and deductibles are \$500 for general liability claims and \$1,000 for auto physical damage. The amount of settlements has not exceeded insurance coverage since the inception of commercial insurance coverage in 1998.

The County maintains the Risk Management Fund (an internal service fund) to account for the cost of commercial insurance and to finance its risk of losses not covered by insurance. All departments of the County make payments to the Risk Management Fund based on estimates of each department's insurable risks of loss and on amounts needed to pay prior and current-year uninsured claims.

DAVIS COUNTY, UTAH
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2003

NOTE 12. LITIGATION AND CONTINGENCIES

The County records liabilities resulting from claims and legal actions when they become fixed or determinable in amount. The County is currently the defendant in several pending lawsuits. Legal counsel is of the opinion that potential claims against the County resulting from such litigation not covered by insurance do not pose a threat of significant liability to the County.

The County has received several federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based upon prior experience, the County believes such disallowances, if any, will be immaterial.

NOTE 13. JOINT VENTURES - South Davis Fire District

The South Davis Fire District was created through an inter-local governmental agreement among various municipalities in Southern Davis County. The District exists to provide fire protection and ambulance services to those entities involved in the agreement. The District is governed by a 5-member board consisting of representatives from each of the cities and also from the County. The Board is responsible for directing all activities of the District including approving an annual budget and appointing the Chief.

The District receives its funding from an annual assessment paid by each participant. The assessment is allocated based on the taxable value of each participating entity.

The County participates as a representative of the citizens of the unincorporated area of the County. The payment is recorded as part of the Special Service Area Fund. The County payment for 2003 was \$115,785. It represents only 6.28% of the total operating costs of the District.

NOTE 14. SUBSEQUENT EVENTS

The Davis County Metro Strike Force (Strike Force Fund) management has changed as of April 1, 2004. Layton City has taken responsibility to manage that operation.

Required Supplemental Information



DAVIS COUNTY, UTAH
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2003

Budgeting and Budgetary Control

As more fully explained in Note 1 of the Notes to the Financial Statements, annual budgets are prepared and adopted before December 31 for the calendar year commencing the following January 1 in accordance with the Uniform Fiscal Procedures Act for Utah Counties. State law requires budgeted revenues to equal budgeted expenditures, and legal control is exercised at the division level. Once a budget has been adopted, it remains in effect until it has been formally revised. Budgets for the General Fund, special revenue, debt service, and capital projects funds are legally required and are prepared and adopted on the modified accrual basis of accounting. Therefore, no reconciliation between budgetary schedules and the GAAP statements is required.

The Budgetary Comparison schedules presented in this section of the report are for all of the County's major funds. Budgetary comparison schedules for the County's nonmajor funds are included as Supplementary Information. Original budgets represents the revenue estimates and spending authority authorized by the Board of County Commissioners prior to January 1. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the County Commissioners through formal resolution. Final budgets do not include unexpected balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

DAVIS COUNTY

EXHIBIT L

(Page 1 of 4)

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes:				
Current property taxes	\$ 16,650,000	\$ 16,650,000	\$ 15,671,567	\$ (978,433)
Delinquent prior years' taxes	560,000	560,000	649,990	89,990
Penalties and interest	495,000	495,000	462,488	(32,512)
Fee-in-lieu	2,420,000	2,420,000	2,922,572	502,572
Sales tax	8,100,000	8,100,000	7,720,717	(379,283)
Total	28,225,000	28,225,000	27,427,334	(797,666)
Licenses and permits:				
Marriage licenses	23,000	23,000	20,830	(2,170)
Animal licenses	250,000	250,000	189,491	(60,509)
Total	273,000	273,000	210,321	(62,679)
Intergovernmental revenues:				
Federal - emergency services	41,049	41,049	66,024	24,975
Federal payment in lieu of taxes	25,000	25,000	42,070	17,070
I.N.S. grant	110,000	110,000	63,296	(46,704)
State grants:				
State forest service	7,500	7,500	7,500	-
Victim services	270,000	270,000	246,976	(23,024)
EMS per capita	35,494	35,494	35,494	-
Children's Justice Centers	166,350	166,350	171,737	5,387
RSAT grant	80,000	80,000	109,905	29,905
Drug Court grant	252,337	252,337	266,612	14,275
DUI grant	65,000	65,000	93,563	28,563
Miscellaneous Contracts	39,618	39,618	83,873	44,255
Total	\$ 1,092,348	\$ 1,092,348	\$ 1,187,050	\$ 94,702

DAVIS COUNTY

EXHIBIT L

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GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Charges for services:				
Clerk fees	\$ 80,000	\$ 80,000	\$ 106,093	\$ 26,093
Recorder fees	1,400,000	1,400,000	2,443,550	1,043,550
A.L.S. fees	180,000	180,000	201,853	21,853
Sheriff fees	914,900	924,900	994,173	69,273
Jail fees	2,261,620	2,261,620	3,807,232	1,545,612
Surveyor filing fees	1,500	1,500	1,197	(303)
Wellness program fees	1,300	1,300	1,535	235
Animal shelter fees	588,900	588,900	447,670	(141,230)
Causeway user fees	120,000	120,000	120,181	181
Miscellaneous fees	400	5,400	(2,762)	(8,162)
Total	5,548,620	5,563,620	8,120,722	2,557,102
Fines and forfeitures:				
Justice court	1,500,000	1,500,000	1,466,160	(33,840)
Other court	40,000	40,000	54,823	14,823
Total	1,540,000	1,540,000	1,520,983	(19,017)
Interest	100,000	100,000	-	(100,000)
Miscellaneous:				
Sale of fixed assets	20,000	20,000	370,899	350,899
Rent	190,000	190,000	189,160	(840)
Sundry:				
Public defender	100,000	100,000	106,713	6,713
Information systems	109,200	109,200	148,248	39,048
Clerk/Auditor	10,000	10,000	53,189	43,189
Attorney	8,000	8,000	2,763	(5,237)
Personnel	9,500	9,500	22,380	12,880
Children's Justice Center	65,600	65,600	21,224	(44,376)

DAVIS COUNTY

EXHIBIT L

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GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Favorable (Unfavorable)
Miscellaneous (continued):				
Treasurer	\$ 10,000	\$ 10,000	\$ 8,092	\$ (1,908)
Surveyor	2,500	2,500	2,180	(320)
Jail	450	450	158	(292)
S.S. revenues	1,500	1,500	4,200	2,700
Sundry	124,000	61,500	152,755	91,255
Total	650,750	588,250	1,081,961	493,711
TOTAL REVENUES	37,364,718	37,382,218	39,548,371	2,166,153
EXPENDITURES:				
General government:				
Commissioners	517,853	520,937	510,150	10,787
Justice court	441,322	450,281	423,272	27,009
Public defender	850,000	850,000	845,372	4,628
Personnel	570,222	528,911	521,490	7,421
Information systems	2,332,295	2,319,775	2,284,797	34,978
Clerk/Auditor	1,484,888	1,371,937	1,204,551	167,386
Treasurer	456,362	463,477	446,000	17,477
Recorder	895,947	955,227	955,227	-
Attorney	2,367,496	2,326,228	2,322,032	4,196
Assessor	1,613,444	1,655,178	1,643,500	11,678
Surveyor	498,082	478,890	466,978	11,912
Victim services	475,352	477,824	458,767	19,057
Children's Justice Center	306,494	310,230	287,278	22,952
Non-departmental	2,129,047	2,023,117	1,968,495	54,622
Total	14,938,804	14,732,012	14,337,909	394,103

DAVIS COUNTY

EXHIBIT L

(Page 4 of 4)

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Budgeted Amounts			Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Public safety:				
Sheriff	\$ 7,978,528	\$ 7,981,881	\$ 7,981,881	\$ -
State forest fire protection	47,000	47,000	35,930	11,070
Jail	7,609,289	7,519,154	7,432,429	86,725
Animal control	1,044,920	1,051,267	1,043,922	7,345
				-
Total	16,679,737	16,599,302	16,494,162	105,140
				-
Public health - poor and indigent	2,000	2,020	2,020	-
				-
Public works - vehicle maintenance	307,304	307,304	301,968	5,336
				-
Capital outlay	845,065	569,888	569,888	-
				-
TOTAL EXPENDITURES	32,772,910	32,210,526	31,705,947	504,579
				-
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	4,591,808	5,171,692	7,842,424	2,670,732
				-
OTHER FINANCING SOURCES (USES):				-
Operating transfers in	176,648	176,648	254,015	77,367
Operating transfers out	(4,771,772)	(6,134,156)	(6,134,156)	-
				-
Total	(4,595,124)	(5,957,508)	(5,880,141)	77,367
				-
EXCESS OF REVENUES & OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(3,316)	(785,816)	1,962,283	2,748,099
				-
FUND BALANCE, BEGINNING OF YEAR	2,365,284	2,450,759	2,450,759	-
				-
FUND BALANCE, END OF YEAR	\$ 2,361,968	\$ 1,664,943	\$ 4,413,042	\$ 2,748,099

DAVIS COUNTY

EXHIBIT M

HEALTH FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 5,024,908	\$ 5,373,591	\$ 5,288,974	\$ (84,617)
Charges for services	3,186,338	3,186,338	2,929,822	(256,516)
Miscellaneous	100	100	143,348	143,248
Total	8,211,346	8,560,029	8,362,144	(197,885)
EXPENDITURES:				
Public health:				
Salaries and benefits	5,881,877	5,901,189	5,615,919	285,270
Operating expenditures	1,892,769	2,157,402	1,768,808	388,594
Food vouchers	2,526,700	2,526,700	2,319,784	206,916
Capital outlay	10,000	22,940	26,927	(3,987)
Total	10,311,346	10,608,231	9,731,438	876,793
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(2,100,000)	(2,048,202)	(1,369,294)	678,908
OTHER FINANCING SOURCES (USES):				
Operating transfers in	2,100,000	2,100,000	1,900,000	(200,000)
Operating transfers out	-	-	-	-
Appropriation of fund balance	-	-	-	-
Total	2,100,000	2,100,000	1,900,000	(200,000)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	51,798	530,706	478,908
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ 51,798	\$ 530,706	\$ 478,908

DAVIS COUNTY

EXHIBIT N

TOURISM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Favorable (Unfavorable)
REVENUE:				
Taxes	\$ 2,780,000	\$ 2,780,000	\$ 2,718,196	\$ (61,804)
Charges for services	340,601	340,601	389,024	48,423
Interest	-	-	25,206	25,206
Miscellaneous	20,000	20,000	20,933	933
Total	3,140,601	3,140,601	3,153,359	12,758
EXPENDITURES:				
General government:				
Salaries and benefits	830,201	792,351	818,385	(26,034)
Operating expenditures	1,722,504	2,010,354	1,771,218	239,136
Capital outlay	-	-	-	-
Total	2,552,705	2,802,705	2,589,603	213,102
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	587,896	337,896	563,756	225,860
OTHER FINANCING SOURCES (USES):	-	-	-	-
Operating transfer out	-	-	(36,193)	(36,193)
Appropriation of fund balance	-	-	-	-
Total	-	-	(36,193)	(36,193)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	587,896	337,896	527,563	189,667
FUND BALANCE, BEGINNING OF YEAR	854,880	1,449,424	1,449,424	-
APPROPRIATION OF FUND BALANCE	-	-	-	-
FUND BALANCE, END OF YEAR	\$ 1,442,776	\$ 1,787,320	\$ 1,976,987	\$ 189,667

DAVIS COUNTY

EXHIBIT O

LIBRARY FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Property taxes	\$ 4,323,400	\$ 4,323,400	\$ 4,452,472	\$ 129,072
Intergovernmental revenues	86,275	86,275	72,751	(13,524)
Charges for services	-	-	496	496
Fines and forfeitures	150,000	150,000	168,516	18,516
Interest	1,000	1,000	-	(1,000)
Miscellaneous	8,000	8,000	11,864	3,864
Total	4,568,675	4,568,675	4,706,099	137,424
EXPENDITURES:				
General government:				
Salaries and benefits	2,337,361	2,337,361	2,278,531	58,830
Operating expenditures	1,299,164	1,299,164	1,914,642	(615,478)
Capital outlay	1,750,000	1,750,000	1,053,230	696,770
Total	5,386,525	5,386,525	5,246,403	140,122
EXCESS OF REVENUES OVER EXPENDITURES	(817,850)	(817,850)	(540,304)	277,546
FUND BALANCE, BEGINNING OF YEAR	1,451,676	1,451,676	1,286,171	(165,505)
FUND BALANCE, END OF YEAR	\$ 633,826	\$ 633,826	\$ 745,867	\$ 112,041

FLOOD CONTROL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Federal grants	\$ -	\$ -	\$ 7,471	\$ 7,471
Intergovernmental revenue	-	119,365	72,250	(47,115)
Miscellaneous	-	6,000	10,283	4,283
Total	-	125,365	90,004	(35,361)
EXPENDITURES:				
Public works:				
Salaries and benefits	854,747	781,982	728,725	53,257
Operating expenditures	180,609	266,133	99,945	166,188
Capital outlay	15,644	128,250	248,291	(120,041)
Total expenditures	1,051,000	1,176,365	1,076,961	99,404
DEFICIENCY OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES):	(1,051,000)	(1,051,000)	(986,957)	64,043
OTHER FINANCING SOURCES (USES):				
Operating transfer in	1,100,000	1,100,000	1,073,005	(26,995)
Operating transfer out	(49,000)	(49,000)	(86,048)	(37,048)
Private contributions	-	-	-	-
Appropriation of fund balance	-	-	-	-
Total	1,051,000	1,051,000	986,957	(64,043)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

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Supplemental Information



Nonmajor Governmental Funds

Aging Services Fund

This fund accounts for revenues and expenditures related to health and social services for the aging.

Strike Force Fund

This fund accounts for revenues and expenditures related to the Davis Metro Narcotics Strike Force.

Emergency 911 Dispatch Funds

This fund accounts for revenues and expenditures related to the 911 emergency number.

Municipal Building Authority Fund

This fund accounts for monies received by the County related to the rental of County buildings.

Special Service Area Fund

This fund accounts for monies received and expenditures related to providing municipal type services for the unincorporated areas of the County.

Municipal Building Authority Debt Service Fund

This fund accounts for the revenues and expenditures related to the long-term debt of the County Municipal Building Authority Bonds.

Capital Projects Fund

This fund accounts for funds accumulated and spent for routine capital projects.

DAVIS COUNTY

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2003

	Aging Services Fund	Strike Force Fund	Emergency 911 Fund
ASSETS			
Cash and investments	\$ 1,130	\$ 103,299	\$ 11,477
Restricted Assets - Cash and investments	-	216,530	-
Accounts Receivable	394,641	27,726	38,878
Taxes Receivable	-	-	-
Due from other funds	-	-	-
Other Assets	170,000	95,070	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 565,771</u>	<u>\$ 442,625</u>	<u>\$ 50,355</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable and accrued liabilities	133,608	219,040	50,355
Due to other funds	432,163	-	-
Deferred revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>565,771</u>	<u>219,040</u>	<u>50,355</u>
FUND BALANCES:			
Reserved:			
Class "B" road funds	-	-	-
Inventories and other assets	-	95,070	-
Undesignated	-	128,515	-
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>-</u>	<u>223,585</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 565,771</u>	<u>\$ 442,625</u>	<u>\$ 50,355</u>

SUPPLEMENTAL SCHEDULE 1

Municipal Building Authority Fund	Special Service Area Fund	M.B.A. Debt Service Fund	Capital Projects Fund	Total
\$ 163,159	\$ 510,417	\$ -	\$ 32,918	\$ 822,400
-	1,556,293	-	-	1,772,823
-	371,270	-	-	832,515
-	9,669	-	-	9,669
-	71,782	-	1,980,652	2,052,434
-	43,616	-	-	308,686
<u>\$ 163,159</u>	<u>\$ 2,563,047</u>	<u>\$ -</u>	<u>\$ 2,013,570</u>	<u>\$ 5,798,527</u>
-	36,538	-	-	439,541
-	-	-	-	432,163
-	9,669	-	-	9,669
<u>-</u>	<u>46,207</u>	<u>-</u>	<u>-</u>	<u>881,373</u>
-	1,813,015	-	-	1,813,015
-	-	-	-	95,070
<u>163,159</u>	<u>703,825</u>	<u>-</u>	<u>2,013,570</u>	<u>3,009,069</u>
<u>163,159</u>	<u>2,516,840</u>	<u>-</u>	<u>2,013,570</u>	<u>4,917,154</u>
<u>\$ 163,159</u>	<u>\$ 2,563,047</u>	<u>\$ -</u>	<u>\$ 2,013,570</u>	<u>\$ 5,798,527</u>

DAVIS COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2003

	Aging Services Fund	Strike Force Fund	Emergency 911 Fund
REVENUES:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental revenues	1,950,932	177,265	-
Charges for services	-	-	519,190
Fines and forfeitures	-	-	-
Interest	-	-	2,147
Miscellaneous	360,946	61,588	23,180
Total	<u>2,311,878</u>	<u>238,853</u>	<u>544,517</u>
EXPENDITURES:			
Current:			
General government	-	-	-
Public safety	-	186,524	1,288,089
Public health	2,785,905	-	-
Public works	-	-	-
Debt Service	-	-	-
Capital outlay	143,552	-	-
Total	<u>2,929,457</u>	<u>186,524</u>	<u>1,288,089</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>(617,579)</u>	<u>52,329</u>	<u>(743,572)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	617,579	-	743,572
Operating transfers out	-	-	-
Proceeds from the sale of revenue bonds	-	-	-
Total	<u>617,579</u>	<u>-</u>	<u>743,572</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	52,329	-
FUND BALANCES, BEGINNING OF YEAR	-	171,256	-
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 223,585</u>	<u>\$ -</u>

SUPPLEMENTAL SCHEDULE 2

Municipal Building Authority Fund	Special Service Area Fund	M.B.A. Debt Service Fund	Capital Projects Fund	Total
\$ -	\$ 1,096,624	\$ -	\$ -	\$ 1,096,624
-	1,032,160	-	-	3,160,357
-	70,089	-	-	589,279
-	-	-	-	-
2,338	31,760	-	-	36,245
212,300	132,754	-	31,268	822,036
214,638	2,363,387	-	31,268	5,704,541
7	300,611	-	313,683	614,301
-	-	-	-	1,474,613
-	-	-	-	2,785,905
-	824,063	-	-	824,063
-	-	215,417	-	215,417
-	365,049	-	82,524	591,125
7	1,489,723	215,417	396,207	6,505,424
214,631	873,664	(215,417)	(364,939)	(800,883)
-	176,579	215,417	2,366,520	4,119,667
(215,417)	(90,531)	-	-	(305,948)
-	-	-	-	-
(215,417)	86,048	215,417	2,366,520	3,813,719
(786.00)	959,712.00	-	2,001,581.00	3,012,836.00
163,945.00	1,557,128.00	-	11,989.00	1,904,318.00
\$ 163,159	\$ 2,516,840	\$ -	\$ 2,013,570	\$ 4,917,154

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 3

AGING SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUE:				
Intergovernmental revenues	\$ 1,791,085	\$ 1,881,085	\$ 1,950,932	\$ 69,847
Project Income	300,000	300,000	340,612	40,612
Contributions from patrons	-	-	20,334	20,334
Total	<u>2,091,085</u>	<u>2,181,085</u>	<u>2,311,878</u>	<u>130,793</u>
EXPENDITURES:				
Public health:				
Salaries and benefits	1,399,246	1,299,885	1,313,181	(13,296)
Operating expenditures	1,265,839	1,453,200	1,472,724	(19,524)
Capital outlay	<u>76,000</u>	<u>138,000</u>	<u>143,552</u>	<u>(5,552)</u>
Total	<u>2,741,085</u>	<u>2,891,085</u>	<u>2,929,457</u>	<u>(38,372)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES	<u>(650,000)</u>	<u>(710,000)</u>	<u>(617,579)</u>	<u>92,421</u>
OTHER FINANCING SOURCES:	-	-	-	-
Operating transfers in	650,000	650,000	617,579	(32,421)
Appropriation of fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>650,000</u>	<u>650,000</u>	<u>617,579</u>	<u>(32,421)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-	(60,000)	-	60,000
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
APPROPRIATION OF FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ (60,000)</u>	<u>\$ -</u>	<u>\$ 60,000</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 4

STRIKE FORCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUE:				
State grants	\$ 117,000	\$ 117,000	\$ 135,481	\$ 18,481
Participant assessments	41,000	41,000	41,784	784
Forfeited seizures	-	-	51,622	51,622
Interest	-	-	2,147	2,147
Miscellaneous	20,000	20,000	7,819	(12,181)
Total	178,000	178,000	238,853	60,853
EXPENDITURES:				
Public safety:				
Salaries and benefits	30,000	30,000	28,271	1,729
Operating expenditures	116,000	116,000	144,612	(28,612)
Capital outlay	32,000	32,000	13,641	18,359
Total	178,000	178,000	186,524	(8,524)
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	-	-	52,329	52,329
OTHER FINANCING SOURCES (USES):				
Operating transfer out	-	-	-	-
Appropriation of fund balance	-	-	-	-
Total	-	-	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	52,329	52,329
FUND BALANCE, BEGINNING OF YEAR	171,256	171,256	171,256	-
APPROPRIATION OF FUND BALANCE	-	-	-	-
FUND BALANCE, END OF YEAR	\$ 171,256	\$ 171,256	\$ 223,585	\$ 52,329

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 5

EMERGENCY 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Favorable
				(Unfavorable)
REVENUE:				
Charges for services	\$ 517,000	\$ 517,000	\$ 519,190	\$ 2,190
Interest	-	-	-	-
Miscellaneous	21,000	21,000	25,327	4,327
Total	538,000	538,000	544,517	6,517
EXPENDITURES:				
Public safety:				
Salaries and benefits	1,156,772	1,156,772	1,060,997	95,775
Operating expenditures	303,000	303,000	227,092	75,908
Capital outlay	-	-	-	-
Total	1,459,772	1,459,772	1,288,089	171,683
	-	-	-	-
DEFICIENCY OF REVENUES OVER EXPENDITURES	-	-	-	-
BEFORE OTHER FINANCING SOURCES	(921,772)	(921,772)	(743,572)	178,200
OTHER FINANCING SOURCES:				
Operating transfer in	921,772	921,772	743,572	(178,200)
Appropriation of fund balance	-	-	-	-
Total	921,772	921,772	743,572	(178,200)
EXCESS OF REVENUES AND OTHER				
SOURCES OVER EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
APPROPRIATION OF FUND BALANCE	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 6

MUNICIPAL BUILDING AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest	\$ 3,000	\$ 3,000	\$ 2,338	\$ (662)
Miscellaneous	<u>218,667</u>	<u>218,667</u>	<u>212,300</u>	<u>(6,367)</u>
Total	<u>221,667</u>	<u>221,667</u>	<u>214,638</u>	<u>(7,029)</u>
EXPENDITURES:				
General government	5,000	5,000	7	4,993
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	5,000	5,000	7	4,993
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING USES	\$ 216,667	\$ 216,667	\$ 214,631	\$ (2,036)
OTHER FINANCING SOURCES (USES):				
Proceeds of revenue bonds	\$ -	\$ -	\$ -	\$ -
Operating transfers out	<u>(216,667)</u>	<u>(216,667)</u>	<u>(215,417)</u>	<u>1,250</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	(786)	(786)
FUND BALANCE, BEGINNING OF YEAR	<u>174,381</u>	<u>174,381</u>	<u>163,945</u>	<u>(10,436)</u>
FUND BALANCE, END OF YEAR	<u>\$ 174,381</u>	<u>\$ 174,381</u>	<u>\$ 163,159</u>	<u>\$ (11,222)</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 7

SPECIAL SERVICE AREA FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>			<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES:				
Property taxes	\$ 241,000	\$ 241,000	\$ 234,354	\$ (6,646)
Sales taxes	420,000	420,000	862,270	442,270
Grants	-	-	8,322	8,322
Intergovernmental revenues	900,000	900,000	1,023,838	123,838
Charges for services	46,800	46,800	70,089	23,289
Interest	22,000	22,000	31,760	9,760
Miscellaneous	113,000	113,000	132,754	19,754
Total	<u>1,742,800</u>	<u>1,742,800</u>	<u>2,363,387</u>	<u>620,587</u>
EXPENDITURES:				
General government:				
Salaries and benefits	23,719	53,744	46,875	6,869
Operating expenditures	233,072	283,072	253,736	29,336
Public works:				
Salaries and benefits	569,831	539,806	417,951	121,855
Operating expenditures	527,402	527,402	386,365	141,037
Capital outlay	761,000	761,000	384,796	376,204
Total expenditures	<u>2,115,024</u>	<u>2,165,024</u>	<u>1,489,723</u>	<u>675,301</u>
EXCESS OF REVENUES ANOVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>(372,224)</u>	<u>(422,224)</u>	<u>873,664</u>	<u>1,295,888</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	63,000	63,000	176,579	113,579
Operating transfers out	(14,000)	(14,000)	(90,531)	(76,531)
Appropriation of fund balance	-	-	-	-
Total	<u>49,000</u>	<u>49,000</u>	<u>86,048</u>	<u>37,048</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(323,224)</u>	<u>(373,224)</u>	<u>959,712</u>	<u>1,332,936</u>
FUND BALANCE, BEGINNING OF YEAR	1,229,768	1,557,128	1,557,128	-
APPROPRIATION OF FUND BALANCE	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ 906,544</u>	<u>\$ 1,183,904</u>	<u>\$ 2,516,840</u>	<u>\$ 1,332,936</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 8

MUNICIPAL BUILDING AUTHORITY DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES:				
HEADSTART DEBT				
Principal retirement	80,000	80,000	80,000	-
Interest and other	40,308	41,558	41,558	-
WASATCH FRONT DEBT				
Principal retirement	40,000	40,000	40,000	
Interest and other	<u>56,359</u>	<u>55,109</u>	<u>53,859</u>	<u>1,250</u>
Total	<u>216,667</u>	<u>216,667</u>	<u>215,417</u>	<u>1,250</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES				
BEFORE OTHER FINANCING SOURCES	<u>(216,667)</u>	<u>(216,667)</u>	<u>(215,417)</u>	<u>1,250</u>
OTHER FINANCING SOURCES - Operating transfers in	216,667	216,667	215,417	(1,250)
EXCESS OF REVENUES AND OTHER				
FINANCING SOURCES OVER EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 9

CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Interest				
Miscellaneous	\$ -	\$ -	\$ 31,268	\$ 31,268
Total	-	-	31,268	31,268
EXPENDITURES:				
General government	40,000	40,000	313,683	(273,683)
Capital outlay	1,832,878	1,832,878	82,524	1,750,354
Total	1,872,878	1,872,878	396,207	1,476,671
DEFICIENCY OF REVENUE OVER EXPENDITURES	(1,872,878)	(1,872,878)	(364,939)	1,507,939
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	2,366,520	2,366,520
Proceeds from short-term borrowing	1,872,878	1,872,878	-	(1,872,878)
Total	1,872,878	1,872,878	2,366,520	493,642
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	2,001,581	2,001,581
FUND BALANCE, BEGINNING OF YEAR	-	-	11,989	11,989
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 2,013,570	\$ 2,013,570

Internal Service Funds

Insurance Fund

This fund accounts for monies received and expended by the County to provide for insurance for all County related functions.

Telephone Fund

This fund accounts for the services provided by the county-wide telephone system.

Building and Grounds Funds

This fund accounts for management of county-owned facilities under central management.

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 10

**INTERNAL SERVICE FUNDS - COMBINING STATEMENT OF NET ASSETS
DECEMBER 31, 2003**

ASSETS	Insurance	Telephone	Buildings and Grounds	Total
CASH AND INVESTMENTS	\$ 943,556	\$ 195,908	\$ 347,851	\$ 1,487,315
ACCOUNTS RECEIVABLE	6,863	5,626	3,534	16,023
INTEREST RECEIVABLE	-	-	-	-
INVENTORIES AND OTHER ASSETS	-	-	-	-
EQUIPMENT - Net	-	121,801	-	121,801
TOTAL ASSETS	\$ 950,419	\$ 323,335	\$ 351,385	\$ 1,625,139
LIABILITIES AND NET ASSETS				
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ 3,071	\$ 21,123	\$ 93,688	\$ 117,882
COMPENSATED ABSENCES	-	-	14,192	14,192
TOTAL LIABILITIES	3,071	21,123	107,880	132,074
NET ASSETS:				
Contributed capital - Contributions	-	180,837	-	180,837
Retained earnings	947,348	121,375	243,505	1,312,228
TOTAL NET ASSETS	\$ 947,348	\$ 302,212	\$ 243,505	\$ 1,493,065

DAVIS COUNTY
SUPPLEMENTAL SCHEDULE 11
INTERNAL SERVICE FUNDS
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Insurance	Telephone	Buildings and Grounds	Total
OPERATING REVENUES:				
Charges for services	\$ 643,131	\$ 265,503	\$ 1,230,924	\$ 2,139,558
Other	-	-	1,200	1,200
Total	<u>643,131</u>	<u>265,503</u>	<u>1,232,124</u>	<u>2,140,758</u>
EXPENSES:				
Salaries, wages, and benefits	93,869	56,805	663,978	814,652
Operations	-	-	870,209	870,209
Insurance premiums	489,383	-	-	489,383
Line charges	-	96,991	-	96,991
Other	19,381	71,056	-	90,437
Total	<u>602,633</u>	<u>224,852</u>	<u>1,534,187</u>	<u>2,361,672</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	40,498	40,651	(302,063)	(220,914)
DEPRECIATION	-	(74,467)	-	(74,467)
OPERATING INCOME (LOSS)	40,498	(33,816)	(302,063)	(295,381)
NONOPERATING REVENUES - Interest revenue	<u>14,374</u>	<u>4,433</u>	<u>11,107</u>	<u>29,914</u>
CHANGES IN NET ASSETS	54,872	(29,383)	(290,956)	(265,467)
	-	-	-	-
NET ASSETS, BEGINNING OF YEAR	<u>892,476</u>	<u>331,595</u>	<u>534,461</u>	<u>1,758,532</u>
NET ASSETS, END OF YEAR	<u>\$ 947,348</u>	<u>\$ 302,212</u>	<u>\$ 243,505</u>	<u>\$ 1,493,065</u>

DAVIS COUNTY

SUPPLEMENTAL SCHEDULE 12

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2003

	Insurance	Telephone	Buildings and Grounds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	636,268	266,659	1,229,481	2,132,408
Cash received from other activities	-	-	1,200	1,200
Cash payments for payroll and benefits	(93,869)	(56,805)	(665,302)	(815,976)
Cash payments for goods and services	(456,751)	(163,046)	(882,541)	(1,502,338)
Net cash provided by operating activities	85,648	46,808	(317,162)	(184,706)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest earned on cash deposits	14,374	4,433	11,107	29,914
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Purchase of assets	-	(72,929)	-	(72,929)
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Net cash provided by (used in) noncapital financing activities	-	(72,929)	-	(72,929)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES -				
Cash payments for property and equipment purchases	-	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	100,022	(21,688)	(306,055)	(227,721)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	843,534	217,596	653,906	1,715,036
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 943,556	\$ 195,908	\$ 347,851	\$ 1,487,315
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income	\$ 40,498	\$ (33,816)	\$ (302,063)	\$ (295,381)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	74,467	-	74,467
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(6,863)	1,156	(1,443)	(7,150)
(Increase) decrease in inventories and other assets	56,898	-	-	56,898
Increase (decrease) in accounts payable and accrued liabilities	(4,885)	5,001	(12,332)	(12,216)
Increase (decrease) in compensated absences	-	-	(1,324)	(1,324)
Total adjustments	45,150	80,624	(15,099)	110,675
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 85,648	\$ 46,808	\$ (317,162)	\$ (184,706)

Other Schedules

Tax Collection Agency Fund – Cash Receipts and Disbursements

This schedule reports the cash coming into and out of the County's Tax Collection Agency Fund during the year. It provides detail for every taxing authority within the County. This schedule is required by state law.

Statement of Tax Charged, Collected and Disbursed

This schedule reports total taxable value, current tax rates, total tax charged, and total taxes collected during the year for each taxing authority within the County. This schedule is required by state law.

DAVIS COUNTY

TREASURER'S TAX COLLECTION FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASURER'S COLLECTION ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2003

	Treasurer's Balance 1/1/03	Receipts	Apportionments		
			Current Taxes	Delinquent Taxes	Other Collections
Current 2003 taxes		\$ 118,064,364	\$ (118,064,364)		
Prior year redemptions and rollbacks		5,248,532		(5,248,532)	
Other taxes - "Class D"		1,994,724			(1,994,724)
Interest received		677,654			(677,654)
Fee in lieu		20,772,025			(20,772,025)
Miscellaneous collections		363,255			(363,255)
Taxes held for refund & prepayments	3,877,046	637,863			
Total	3,877,046	147,758,417	(118,064,364)	(5,248,532)	(23,807,658)
Davis County:					
County funds	1,780,621		17,357,013	703,386	3,709,379
County library	1,145,466		3,614,179	170,566	667,727
Special service area	59,259		216,749	4,075	13,530
Total Davis County	2,985,346		21,187,941	878,027	4,390,635
Davis County School District	21,861,920		69,547,848	3,255,858	13,058,944
Cities and towns:					
Bountiful	631,072		1,878,280	106,469	384,954
Centerville	240,235		779,167	35,459	167,429
Clearfield	703,677		2,459,772	105,624	362,709
Clinton	200,561		804,000	48,236	191,391
Farmington	400,976		1,211,480	65,343	226,517
Fruit Heights	90,911		275,036	11,160	65,628
Kaysville	338,540		1,099,725	44,436	243,987
Layton	1,600,227		4,529,248	201,094	828,008
North Salt Lake	371,800		1,136,060	64,391	136,118
South Weber	55,112		121,108	5,206	27,694
Sunset	43,726		181,179	4,972	40,055
Syracuse	103,442		441,469	23,150	114,914
West Bountiful	105,372		288,346	10,607	48,488
West Point	69,706		251,681	11,174	66,174
Woods Cross	91,186		304,560	9,108	52,868
Total cities and towns	5,046,543		15,761,108	746,429	2,956,935

SUPPLEMENTAL SCHEDULE 13

(Page 1 of 2)

Totals	Disbursements	Treasurer's Balance 12/31/03
0		0
(0)		(0)
0		0
0		0
4,514,909	1,832,603	2,682,306
4,514,909	1,832,603	2,682,306
23,550,399	20,397,550	3,152,849
5,597,937	4,921,852	676,085
293,613	221,831	71,782
29,441,949	25,541,233	3,900,716
107,724,570	84,995,416	22,729,154
3,000,775	2,353,304	647,471
1,222,290	1,005,343	216,946
3,631,782	2,945,142	686,640
1,244,187	1,035,230	208,958
1,904,315	1,483,742	420,573
442,735	355,511	87,224
1,726,688	1,370,149	356,538
7,158,577	5,508,533	1,650,044
1,708,369	1,289,622	418,747
209,119	147,329	61,790
269,932	233,635	36,297
682,975	565,601	117,374
452,814	378,271	74,543
398,735	324,666	74,069
457,722	369,797	87,925
24,511,015	19,365,876	5,145,139

(BOTTOM OF SCHEDULE 13 IS CONTINUED ON THE NEXT 2 PAGES)

DAVIS COUNTY

TREASURER'S TAX COLLECTION FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS - TREASURER'S COLLECTION ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2003

	Treasurer's Balance 1/1/03	Receipts	Apportionments		
			Current Taxes	Delinquent Taxes	Other Collections
Other taxing districts:					
Bountiful water	\$ 65,486	\$	\$ 192,802	\$ 9,379	\$ 983,938
Central Davis sewer	109,301		340,815	18,097	41,835
Farmington irrigation	87,755		280,297	12,259	17,913
Hooper water	8,283		30,211	899	5,597
Mosquito abatement	175,390		820,130	26,781	156,502
North Davis sewer	996,852		3,161,757	145,542	577,519
South Davis sewer	402,959		1,247,868	61,742	285,280
South Davis water	33,748		90,370	4,673	17,741
Weber Basin water	563,417		1,789,845	83,128	1,265,711
Central Weber sewer	26,849		87,675	2,397	19,434
South Weber water	<u>18,953</u>		<u>57,763</u>	<u>3,321</u>	<u>29,674</u>
Total other taxing districts	<u>2,488,993</u>		<u>8,099,533</u>	<u>368,218</u>	<u>3,401,144</u>
Redevelopment agencies:					
Bountiful	160,602		532,921		
Woods Cross	276,446		408,188		
Sunset	64,983		65,734		
Clearfield	734,246		915,426		
Clearfield EDA	205,433		282,102		
Farmington	199,251		216,719		
West Bountiful	102,475		337,007		
Centerville	506,783		513,803		
North Salt Lake	35,944		37,556		
Woods Cross/West Bountiful	137,659		132,738		
Clinton	<u>31,629</u>		<u>25,740</u>		
Total redevelopment agencies	<u>2,455,451</u>		<u>3,467,934</u>		
GRAND TOTAL	<u>\$ 38,715,299</u>	<u>\$ 147,758,417</u>	<u>\$ (0)</u>	<u>\$ 0</u>	<u>\$ 0</u>

SUPPLEMENTAL SCHEDULE 13

(Page 2 of 2)

		Treasurer's Balance 12/31/03	
Totals		Disbursements	
\$	1,251,605	\$	1,187,938
	510,048		398,781
	398,224		315,723
	44,990		32,983
	1,178,803		864,007
	4,881,670		3,863,260
	1,997,849		1,594,667
	146,532		101,518
	3,702,101		3,118,113
	136,355		106,263
	<u>109,711</u>		<u>92,182</u>
	<u>14,357,888</u>		<u>11,675,435</u>
	693,523		560,602
	684,634		276,446
	130,717		64,983
	1,649,672		734,246
	487,535		205,433
	415,970		199,251
	439,482		223,074
	1,020,586		506,783
	73,500		35,944
	270,397		137,659
	<u>57,369</u>		<u>31,629</u>
	<u>5,923,385</u>		<u>2,976,050</u>
\$	<u>186,473,716</u>	\$	<u>146,386,613</u>
		\$	<u>40,087,103</u>

DAVIS COUNTY

SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISTRIBUTED FOR THE YEAR ENDED DECEMBER 31, 2003

YEAR-END REAL PROPERTY & CENTRALLY ASSESSED VALUES

ENTITY	Real Property	Centrally Assessed	Redevelopment Reductions	Total
Davis School District	8,626,346,272	329,341,180	248,000,055	8,707,687,397
Statewide School	8,626,346,272	329,341,180	248,000,055	8,707,687,397
Davis County	8,626,346,272	329,341,180	248,000,055	8,707,687,397
Bountiful City	1,581,878,452	31,933,190	48,129,450	1,565,682,192
Centerville City	551,418,950	17,236,474	40,092,156	528,563,268
Clearfield City	712,051,550	43,879,977	65,248,909	690,682,618
Clinton City	366,044,419	9,541,801	1,888,090	373,698,130
Farmington City	501,456,010	15,394,478	15,272,849	501,577,639
Fruit Heights City	144,388,020	4,969,831	0	149,357,851
Kaysville City	669,232,899	14,358,266	0	683,591,165
Layton City	2,021,099,791	61,702,814	0	2,082,802,605
North Salt Lake City	571,218,600	35,027,440	2,472,321	603,773,719
Sunset City	108,707,990	5,142,706	5,057,834	108,792,862
South Weber City	145,686,120	13,964,600	0	159,650,720
Syracuse City	424,915,250	9,978,700	0	434,893,950
West Bountiful City	201,137,621	7,859,091	21,442,725	187,553,987
West Point City	167,002,050	3,728,843	0	170,730,893
Woods Cross City	335,736,210	8,227,008	38,379,284	305,583,934
County Library	7,957,113,373	314,982,914	246,814,609	8,025,281,678
Weber Basin Water	8,625,462,802	329,339,127	247,923,684	8,706,878,245
Mosquito Abatement	8,625,462,802	329,339,127	247,923,684	8,706,878,245
North Davis Sewer	3,942,009,790	147,922,983	84,256,697	4,005,676,076
Bountiful Water SubCon	1,316,297,281	30,244,492	77,913,872	1,268,627,901
South Davis Water	296,266,491	4,570,350	7,289,842	293,546,999
Special Serv Area	123,463,880	45,772,174	0	169,236,054
Central Davis Sewer	1,226,407,129	42,559,565	15,425,000	1,253,541,694
South Davis Sewer	3,291,376,434	106,672,462	146,291,507	3,251,757,389
Farmington Press Wtr	529,744,850	16,164,308	13,064,902	532,844,256
Sunset Weber Bsn Wtr	108,707,990	5,142,706	5,057,840	108,792,856
Hooper Water Improv	68,034,630	1,416,129	0	69,450,759
South Weber Water Imp	90,586,510	10,869,323	0	101,455,833
Central Weber Sewer	146,041,850	13,987,779	0	160,029,629
County Assess & Coll	8,626,346,272	329,341,180	248,000,055	8,707,687,397
State Assess & Coll	8,626,346,272	329,341,180	248,000,055	8,707,687,397

Total

SUPPLEMENTAL SCHEDULE 14

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YEAR-END PERSONAL PROPERTY VALUES			PROPERTY TAX CALCULATION					
Personal Property	Redevelopment Reductions	Total	ENTITY TOTAL ADJUSTED VALUE	Current Year Tax Rate	Prior Year Tax Rate (Personal)	Real Property & Cent'ly Assessed Tax Charged	Pers. Prop. Tax Charged	Total Taxes Charged
831,024,706	22,070,755	808,953,951	9,516,641,348	0.005906	0.005803	51,427,602	4,694,360	56,121,962
831,024,706	22,070,755	808,953,951	9,516,641,348	0.001825	0.001807	15,891,530	1,461,780	17,353,309
831,024,706	22,070,755	808,953,951	9,516,641,348	0.001700	0.001401	14,803,069	1,133,344	15,936,413
46,460,157	1,331,665	45,128,492	1,610,810,684	0.001223	0.001216	1,914,829	54,876	1,969,706
27,656,643	1,874,934	25,781,709	554,344,977	0.001470	0.001466	776,988	37,796	814,784
236,610,987	19,754,528	216,856,459	907,539,077	0.002916	0.002916	2,014,031	632,353	2,646,384
6,114,657	29,679	6,084,978	379,783,108	0.002250	0.002250	840,821	13,691	854,512
24,742,965	690,991	24,051,974	525,629,613	0.002443	0.002160	1,225,354	51,952	1,277,306
1,980,969	0	1,980,969	151,338,820	0.001918	0.001903	286,468	3,770	290,238
21,350,189	0	21,350,189	704,941,354	0.001626	0.001612	1,111,519	34,417	1,145,936
130,283,708	0	130,283,708	2,213,086,313	0.002161	0.002155	4,500,936	280,761	4,781,698
141,944,473	556,426	141,388,047	745,161,766	0.001627	0.001613	982,340	228,059	1,210,399
3,881,513	165,822	3,715,691	112,508,553	0.001158	0.001139	125,982	4,232	130,214
2,203,482	0	2,203,482	161,854,202	0.001189	0.001195	189,825	2,633	192,458
11,001,223	0	11,001,223	445,895,173	0.001047	0.001023	455,334	11,254	466,588
41,431,065	4,072,223	37,358,842	224,912,829	0.001372	0.001301	257,324	48,604	305,928
894,421	0	894,421	171,625,314	0.001548	0.001540	264,291	1,377	265,669
33,740,177	3,610,924	30,129,253	335,713,187	0.000966	0.000945	295,194	28,472	323,666
809,674,517	23,256,201	786,418,316	8,811,699,994	0.000434	0.000431	3,482,972	338,946	3,821,919
831,024,706	22,147,126	808,877,580	9,515,755,825	0.000196	0.000193	1,706,548	156,113	1,862,662
831,024,706	22,147,126	808,877,580	9,515,755,825	0.000094	0.000061	818,447	49,342	867,788
396,317,107	7,888,165	388,428,942	4,394,105,018	0.000763	0.000763	3,056,331	296,371	3,352,702
56,315,241	3,133,737	53,181,504	1,321,809,405	0.000152	0.000150	192,831	7,977	200,809
8,978,430	209,189	8,769,241	302,316,240	0.000318	0.000322	93,348	2,824	96,172
100,728,077	0	100,728,077	269,964,131	0.000843	0.000833	142,666	83,906	226,572
46,551,097	538,840	46,012,257	1,299,553,951	0.000275	0.000276	344,724	12,699	357,423
379,087,300	15,670,601	363,416,699	3,615,174,088	0.000364	0.000361	1,183,640	131,193	1,314,833
23,217,379	525,338	22,692,041	555,536,297	0.000527	0.000524	280,809	11,891	292,700
3,881,513	165,816	3,715,697	112,508,553	0.000254	0.000250	27,633	929	28,562
242,564	0	242,564	69,693,323	0.000469	0.000434	32,572	105	32,678
1,960,967	0	1,960,967	103,416,800	0.000597	0.000672	60,569	1,318	61,887
2,202,482	0	2,202,482	162,232,111	0.000574	0.000575	91,857	1,266	93,123
831,024,706	22,070,755	808,953,951	9,516,641,348	0.000073	0.000072	635,661	58,245	693,906
831,024,706	22,070,755	808,953,951	9,516,641,348	0.000181	0.000177	1,576,091	143,185	1,719,276
						111,090,137	10,020,044	121,110,181

DAVIS COUNTY

SCHEDULE OF TAXES CHARGED, COLLECTED, AND DISTRIBUTED FOR THE YEAR ENDED DECEMBER 31, 2003

ENTITY	TAXES CHARGED	TREASURER'S RELIEF			
		Unpaid Taxes	Abatements	Other	Total
Davis School District	56,121,962	2,601,650	440,016	(39,685)	3,001,981
Statewide School	17,353,309	803,932	135,968	(14,458)	925,442
Davis County	15,936,413	748,864	126,655	(11,766)	863,754
Bountiful City	1,969,706	74,708	16,738	(21)	91,426
Centerville City	814,784	31,119	4,934	(435)	35,617
Clearfield City	2,646,384	158,765	27,749	98	186,612
Clinton City	854,512	40,117	10,920	(525)	50,512
Farmington City	1,277,306	63,111	3,848	(1,132)	65,827
Fruit Heights City	290,238	13,699	1,458	45	15,202
Kaysville City	1,145,936	39,902	7,517	(1,208)	46,211
Layton City	4,781,698	211,816	47,035	(6,401)	252,450
North Salt Lake City	1,210,399	74,995	2,429	(3,084)	74,339
Sunset City	130,214	6,152	2,962	(8)	9,107
South Weber City	192,458	10,578	1,491	(790)	11,279
Syracuse City	466,588	22,166	2,932	21	25,119
West Bountiful City	305,928	16,784	1,636	(838)	17,582
West Point City	265,669	9,979	3,886	123	13,988
Woods Cross City	323,666	18,150	1,414	(458)	19,106
County Library	3,821,919	180,530	30,328	(3,118)	207,740
Weber Basin Water	1,862,662	86,332	14,603	(1,552)	99,382
Mosquito Abatement	867,788	41,402	7,003	(748)	47,658
North Davis Sewer	3,352,702	158,776	34,386	(2,218)	190,945
Bountiful Water SubCon	200,809	6,524	1,750	(267)	8,007
South Davis Water	96,172	4,486	1,002	313	5,801
Special Serv Area	226,572	9,669	923	(768)	9,824
Central Davis Sewer	357,423	15,196	1,668	(255)	16,609
South Davis Sewer	1,314,833	60,236	7,921	(1,191)	66,965
Farmington Press Wtr	292,700	11,840	888	(327)	12,402
Sunset Weber Bsn Wtr	28,562	1,349	650	(2)	1,998
Hooper Water Improv	32,678	2,169	306	(8)	2,466
South Weber Water Imp	61,887	3,819	448	(143)	4,124
Central Weber Sewer	93,123	5,107	720	(378)	5,449
County Assess & Coll	693,906	32,151	5,439	(585)	37,005
State Assess & Coll	<u>1,719,276</u>	<u>79,727</u>	<u>13,485</u>	<u>(1,389)</u>	<u>91,824</u>
Total	<u>121,110,181</u>	<u>5,645,802</u>	<u>961,108</u>	<u>(93,159)</u>	<u>6,513,752</u>

SUPPLEMENTAL SCHEDULE 14

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TAXES COLLECTED	PERCENTAGE COLLECTED	OTHER COLLECTIONS			
		Fee-in-lieu Age-based	Miscellaneous Collections	Delinquent Redemptions	Interest/ Penalty
53,119,980	94.7%	9,686,687	171,600	2,485,078	116,428
16,427,868	94.7%	2,993,641	53,364	770,780	37,224
15,072,659	94.6%	2,780,803	41,424	594,118	456,985
1,878,280	95.4%	373,966	6,237	106,469	4,621
779,167	95.6%	163,639	2,616	35,459	1,175
2,459,772	92.9%	348,258	8,158	105,624	5,557
804,000	94.1%	181,973	2,530	48,236	2,068
1,211,480	94.8%	218,918	3,515	65,343	4,084
275,036	94.8%	64,240	937	11,160	451
1,099,725	96.0%	238,803	3,568	44,436	1,617
4,529,248	94.7%	802,915	14,684	201,094	9,529
1,136,060	93.9%	128,437	3,618	64,391	4,064
121,108	93.0%	26,818	597	5,206	279
181,179	94.1%	39,411	411	4,972	233
441,469	94.6%	106,594	1,293	23,150	834
288,346	94.3%	47,125	993	10,607	371
251,681	94.7%	64,863	805	11,174	506
304,560	94.1%	51,387	1,016	9,108	465
3,614,179	94.6%	648,210	11,789	170,566	7,728
1,763,280	94.7%	321,472	5,706	81,984	3,710
820,130	94.5%	153,305	1,803	26,781	1,393
3,161,757	94.3%	560,065	10,246	145,541	6,779
192,802	96.0%	17,826	650	9,379	381
90,370	94.0%	16,397	308	4,673	368
216,749	95.7%	12,520	687	4,075	323
340,815	95.4%	39,734	1,132	18,097	969
1,247,868	94.9%	214,137	4,130	61,743	2,916
280,297	95.8%	16,182	940	12,259	790
26,565	93.0%	5,882	90	1,144	61
30,211	92.5%	5,480	90	898	28
57,763	93.3%	6,726	216	3,321	114
87,675	94.1%	19,033	288	2,397	113
656,901	94.7%	119,737	2,129	30,941	1,488
<u>1,627,453</u>	94.7%	<u>296,841</u>	<u>5,685</u>	<u>78,328</u>	<u>4,003</u>
<u>114,596,430</u>		<u>20,772,025</u>	<u>363,255</u>	<u>5,248,532</u>	<u>677,654</u>

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III. Statistical Section



Davis County Courhouses
through the years

Upper left: First Davis County
Courthouse, 1862.

Upper center: Second Davis
County Courthouse, 1890.

Upper right: The second Davis
County Courthouse, remodeled
1932.

Left: The Courthouse today.

DAVIS COUNTY

GENERAL GOVERNMENTAL REVENUES BY SOURCE LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Taxes</u>		<u>Licenses and Permits</u>		<u>Intergovernmental and Grant Revenues</u>		<u>Charges for Services</u>		<u>Fines and Forfeitures</u>		<u>Interest, Rents and Concessions</u>		<u>Miscellaneous</u>		<u>Total</u>
2003	\$37,561,589	59.1%	210,321	.3%	\$9,788,853	15.4%	\$12,029,343	19.0%	\$1,689,499	2.7%	\$108,766	.2%	\$2,090,425	3.3%	\$63,478,796
2002	32,790,489	59.1	216,750	.3	8,801,497	15.8	10,324,941	18.6	1,682,917	3.0	155,467	.3	1,550,708	2.8	55,522,769
2001	31,353,860	57.5	201,759	.4	8,326,282	15.3	10,394,732	19.0	1,634,230	3.0	570,381	1.0	2,078,537	3.8	54,559,781
2000	30,233,131	57.0	212,136	.4	8,290,644	15.6	10,257,593	19.4	1,539,056	2.9	569,027	1.1	1,929,226	3.6	53,030,813
1999	28,344,778	55.6	202,590	.4	9,185,391	18.0	9,725,546	19.1	1,347,577	2.7	454,909	.9	1,702,192	3.3	50,962,983
1998	27,249,886	55.0	190,175	.4	10,516,080	21.2	8,316,784	16.8	1,140,526	2.3	477,129	1.0	1,613,805	3.3	49,504,385
1997	25,546,645	59.1	165,229	.4	8,070,132	18.7	6,461,683	14.9	1,033,144	2.4	459,082	1.1	1,466,987	3.4	43,202,902
1996	23,718,787	58.2	152,493	.4	7,682,937	18.8	5,986,025	14.7	841,679	2.1	563,714	1.4	1,778,317	4.4	40,723,952
1995	21,866,299	59.7	135,680	.4	7,159,522	19.5	5,374,699	14.7	654,994	1.8	468,831	1.3	958,078	2.6	36,618,073
1994	20,831,337	59.3	105,369	.3	6,675,983	19.0	5,067,828	14.4	705,494	2.0	637,943	1.8	1,094,319	3.2	35,118,273

1 Taxes include: Property taxes, Auto related fees and taxes, Sales taxes, and Tourism taxes

DAVIS COUNTY

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION LAST TEN FISCAL YEARS

Fiscal Year	General Government		Public Safety		Public Health		Public Works	
2003	\$21,734,986	36.2%	\$17,968,775	30.0%	\$12,492,436	20.8%	\$1,954,701	3.3%
2002	20,418,937	29.5	17,869,709	25.8	12,450,725	18.0	2,125,444	3.0
2001	20,782,345	35.4	16,919,168	28.8	11,980,037	20.4	828,726	1.4
2000	20,085,518	37.7	15,718,736	29.6	11,092,928	20.9	791,018	.3
1999	17,536,367	35.9	14,613,233	29.9	11,013,196	22.5	398,984	.8
1998	16,378,420	34.6	12,708,955	26.8	10,231,061	21.6	681,616	1.4
1997	14,975,958	33.7	11,073,986	24.9	9,537,609	21.5	675,906	1.5
1996	14,073,214	36.3	9,897,749	25.5	8,367,956	21.6	606,283	1.5
1995	13,419,685	37.2	9,197,238	25.5	7,439,255	20.6	525,670	1.5
1994	11,398,135	32.9	8,663,326	25.0	7,089,340	20.5	636,066	1.8

Principal Retirement		Interest and Other		Capital Outlay		Total
\$1,640,000	2.7%	\$302,557	.5%	\$3,880,010	6.5%	\$59,973,465
8,109,000	11.7	476,242	.7	7,796,221	11.3	69,246,278
1,370,000	2.3	521,998	.9	6,386,976	10.8	58,789,250
1,300,000	2.4	591,199	1.1	3,596,846	6.8	53,176,245
1,210,000	2.5	654,827	1.3	3,481,725	7.1	48,908,332
1,215,000	2.6	721,978	1.5	5,432,133	11.5	47,369,163
1,270,000	2.9	803,948	1.8	6,602,903	13.7	44,400,310
2,762,517	7.1	971,171	2.5	2,125,375	5.5	38,804,265
2,624,270	7.3	1,116,380	3.1	1,749,013	4.8	36,071,511
2,400,401	6.9	1,299,654	3.8	3,169,711	9.1	34,656,633
2,293,378	7.1	1,310,658	4.0	2,661,049	8.2	32,371,555

DAVIS COUNTY

TAXABLE AND ESTIMATED ACTUAL MARKET VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

<u>Year</u>	<u>Taxable Valuation 1,2</u>	<u>Estimated Actual Market Value 1,2</u>	<u>Percent Adjusted Taxable Valuation to Estimated Actual Market Value</u>
2003	9,786,712,158	\$14,509,725,213	67.5%
2002	9,400,550,644	14,205,806,672	66.2
2001	9,116,550,644	13,920,405,974	65.5
2000	8,203,417,609	12,789,345,628	64.1
1999	7,673,534,335	12,092,070,432	63.5
1998	7,222,549,359	11,406,243,914	63.3
1997	6,502,812,841	10,477,371,981	60.9
1996	5,649,097,249	9,347,487,432	60.4
1995	5,022,272,712	8,058,662,174	62.3
1994	4,246,987,934	5,706,188,483	74.4

1 Taxable and market valuations do not include certain motor vehicles and motor homes excluded through Utah State tax legislation. These items are taxed with a “fee-in-lieu” of property tax. These “fee-in-lieu” tax dollars are part of the total property tax dollars presented.

2 The value of tax exempt properties are not included in this presentation.

DAVIS COUNTY

SCHEDULE OF TAXABLE VALUATION AND TAXES ASSESSED AND COLLECTED LAST TEN FISCAL YEARS

<u>Year</u>	<u>Adjusted Taxable Valuation</u> ^{1,2}	<u>County Tax Rate</u> ³	<u>Property Taxes Assessed</u>	<u>Current Year Property Taxes Collected</u>	<u>Percent of Current Year Taxes Collected</u>
2003	\$9,516,641,348	.001954	\$15,936,413	\$15,072,659	94.60%
2002	9,169,083,257	.001650	15,140,121	14,305,865	94.49
2001	8,844,013,853	.001664	14,753,694	13,799,696	93.53
2000	8,004,186,597	.001710	13,687,159	12,916,457	94.37
1999	7,510,677,463	.001769	13,286,388	12,620,094	94.99
1998	7,079,958,326	.001833	12,977,564	12,341,439	95.10
1997	6,377,252,992	.002648	15,432,952	14,730,752	95.45
1996	5,649,097,249	.002848	12,975,976	12,513,972	96.44
1995	5,022,272,712	.003013	12,123,767	11,832,183	97.59
1994	4,246,987,934	.003410	11,505,090	11,114,830	96.61
TEN YEAR AVERAGE	\$7,142,017,173	.002250	\$13,781,912	\$13,124,795	95.32%

1 Taxable valuations reflected do not include certain motor vehicles and motor homes excluded through Utah State tax legislation.

2 The valuations have been reduced by the amount of value that is identified to redevelopment projects through out the County.

3 The County Tax Rate includes the County and State Assessing and Collecting rates.

DAVIS COUNTY

PRINCIPAL TAXPAYERS WITHIN THE COUNTY (property tax) 1 DECEMBER 31, 2003

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2003 Taxable Valuation</u>	<u>Percent of Total Taxable Valuation of \$9,786,712,158</u>
Freeport Center Associates	Distribution/Warehouse	\$119,647,079	1.2%
Qwest Communications	Communication	102,832,888	1.1
Chevron U.S.A. Inc	Petroleum refinery	100,063,031	1.0
Layton Hills L L C	Real Estate (Mall)	88,491,195	.9
PacifiCorp	Electrical distribution	66,054,691	.7
Smith's Food and Drug	Distribution/Retail sales	62,665,925	.6
Big West Oil	Petroleum distribution	59,356,628	.6
Albertson's	Distribution/Retail sales	57,178,356	.6
Lifetime Products	Manufacturing	46,893,503	.5
Phillips 66	Petroleum refinery	45,264,621	.5

DAVIS COUNTY

RATIO OF NET GENERAL BONDED DEBT TO TAXABLE VALUATION, ESTIMATED MARKET VALUE, AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

<u>Year</u>	<u>Estimated Population</u>	<u>Taxable Valuation</u> ¹	<u>Estimated Market Value</u> ¹	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Taxable Valuation</u>	<u>Ratio of Net Bonded Debt to Estimated Market Value</u>	<u>Net Bonded Debt Per Capita</u>
2003	256,000	\$9,786,712,158	\$14,509,725,213	15,609,000 ²	.16%	.11	\$60.97
2002	248,000	9,400,728,423	14,205,806,672	8,249,000 ³	.09	.06	33.26
2001	244,000	9,116,550,644	13,920,405,974	16,358,000 ⁴	.18	.12	68.16
2000	238,994	8,203,417,609	12,789,345,628	9,140,000	.11	.07	38.24
1999	237,000	7,673,534,335	12,092,070,432	10,370,000	.14	.09	43.76
1998	230,000	7,222,549,359	11,406,243,914	11,510,000	.16	.10	50.04
1997	223,319	6,502,812,841	10,447,371,981	12,665,000	.19	.12	56.71
1996	219,644	5,649,097,249	9,347,487,432	13,735,000	.24	.15	62.53
1995	216,633	5,022,272,712	8,058,662,174	16,240,000	.32	.20	74.97
1994	212,000	4,246,987,934	5,706,188,483	18,615,000	.44	.33	87.81

¹ Taxable and market valuations do not include certain motor vehicles and motor homes excluded through Utah State tax legislation.

² Includes \$9,000,000 of Sales Tax revenue bonds for the construction of the Davis Conference Center as of December 31, 2003.

³ Does not include lease purchase line of credit balance of \$3,817,000 as of December 31, 2002.

⁴ Includes \$6,465,000 of bonds waiting to be used for refunding of G/O debt on the call date of February 1, 2002.

DAVIS COUNTY

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES LAST TEN FISCAL YEARS

<u>Year</u>	<u>Total Debt Service Expenditures</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>	
2003	\$1,942,557	\$59,973,465	3.24%	
2002	8,585,242	69,246,278	12.40	Total with bond refund
2002	2,120,242	62,781,278	3.38	Total without bond refund
2001	1,891,998	58,789,250	3.22	
2000	1,891,199	53,176,245	3.56	
1999	1,864,827	48,908,332	3.81	
1998	1,936,978	47,369,163	4.09	
1997	2,073,948	44,400,310	4.67	
1996	3,733,688	38,804,265	9.62	
1995	3,740,650	36,071,511	10.37	
1994	3,700,055	34,656,633	10.68	

1 On February 1, 2002 \$6,465,000 of 1992 G/O debt was refunded at the call date.

DAVIS COUNTY

COMPUTATION OF LEGAL DEBT MARGIN DECEMBER 31, 2003

Estimated 2003 "Fair Market Value" ¹	\$15,894,526,880
"Fair Market Value" x 2% = "Debt Limit"	317,890,538
Less: Outstanding General Obligation Debt	(4,980,000)
Outstanding Lease Revenue Bonded Debt	(1,629,000)
Outstanding Sales Tax Revenue Bonded Debt	<u>(9,000,000)</u>
ADDITIONAL DEBT INCURRING CAPACITY	<u>\$302,371,538</u>

1 In computing "Fair Market Value" the estimated value (\$1,384,801,667) of all tax equivalent property related to motor vehicles and motor homes on which uniform fees are collected in lieu of property tax has been included. This value is only included for calculating debt incurring capacity.

DAVIS COUNTY

COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT YEAR ENDED DECEMBER 31, 2003

<u>Taxing Entity</u>	<u>2003 Year-End Taxable Valuation</u> 1	<u>County's Portion of Taxable Valuation</u>	<u>County's Percentage</u>	<u>Entity's Outstanding G.O. Debt</u>	<u>Davis County Overlapping G.O. Debt</u>
Overlapping:					
State of Utah	\$118,060,738,137	\$9,880,996,997	8.4%	\$1,510,160,000	\$ 126,853,440
Davis County School District	9,880,996,997	9,880,996,997	100.0	233,670,000	<u>233,670,000</u>
Total Overlapping G.O. Debt					<u>\$360,523,440</u>
Underlying:					
Weber Basin Water Conservatory District 2, 3	25,975,440,435	9,880,943,944	38.0	37,979,822	14,432,332
Clearfield City 3	1,002,784,452	1,002,784,452	100.0	12,655,000	0
Clinton City 3	381,556,224	381,556,224	100.0	885,000	0
Farmington City	546,982,094	546,982,094	100.0	3,005,000	3,005,000
South Weber City 3	165,450,747	165,450,747	100.0	263,000	0
West Bountiful City 3	250,486,999	250,486,999	100.0	2,331,000	0
Farmington Irrigation District 3	568,947,720	568,947,720	100.0	145,000	0
North Davis County Sewer District	5,509,123,342	4,541,994,749	82.4	33,570,000	27,661,680
South Weber Water Improvement District 3	103,311,909	103,311,909	100.0	110,595	<u>0</u>
Total Underlying					<u>45,099,012</u>
Total Overlapping & Underlying G.O. Debt					<u>\$405,622,452</u>
Total Overlapping & Underlying G.O. Debt (Excluding the State) 4					\$233,670,000
Total Direct General Obligation					<u>3,380,000</u>
Total Direct and Overlapping G.O. Debt (Excluding the State) 4					<u>\$237,050,000</u>
Total Underlying General Obligation Debt					\$45,099,012
Total Direct General Obligation Bonded Indebtness					<u>\$3,380,000</u>
Total Direct and Underlying G.O. Debt					<u>\$48,479,012</u>
Total Overlapping & Underlying G.O. Debt (Excluding the State) 4					\$278,769,012
Total Direct General Obligation Bonded Indebtness					<u>\$3,380,000</u>
Total Direct, Overlapping and Underlying G.O. Debt (Excl. the State) 4					<u>\$282,149,012</u>

1 2003 Values are preliminary and subject to change. Taxable values used in this table excludes the taxable value used to determine uniform fees on tangible personal property.

2 The Weber Basin Water Conservatory District covers all of Morgan County, most of the County and Weber Counties, and portions of Box Elder and Summit Counties. Principal and interest on WBWCD general obligation bonds are paid from sales of water. WBWCD bonds are shown as overlapping but are self-supporting except for a maximum .000200 tax rate.

3 All or portions of these governmental entities outstanding general obligation debt are supported by user fee revenues from water or sewer. The County's portion of overlapping general obligation debt has been reduced to the extent that such general obligation debt is supported by 'user fee revenues'

4 The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.

DAVIS COUNTY

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1.00 OF TAXABLE VALUATION)
LAST TEN FISCAL YEARS**

Calendar <u>Year</u>	County <u>Funds</u>	County <u>Library</u>	Davis County <u>Schools</u>	Average Cities and <u>Towns</u>	Average Miscellaneous Taxing <u>Districts</u>
2003	.001954	.000434	.007731	.001661	.000818
2002	.001650	.000431	.007610	.001579	.000835
2001	.001664	.000431	.007600	.001481	.001059
2000	.001710	.000435	.007513	.001562	.000831
1999	.001833	.000287	.007393	.001633	.000584
1998	.002648	.000298	.007604	.001679	.000412
1997	.002848	.000321	.007408	.001881	.000455
1996	.003013	.000335	.008339	.001853	.000422
1995	.003410	.000382	.010270	.002062	.000423
1994	.003621	.000389	.010325	.002093	.000426

DAVIS COUNTY

DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population</u> 1	<u>Births</u> 2	<u>Deaths</u> 2	<u>Per Capita Income</u> 3	<u>Non- Agricultural Average Monthly Wage</u> 4	<u>Annualized % Unemployment Rate</u> 4	<u>Total Public School Enrollment</u> 5
2003	256,000	2,890	1,072	\$26,943	\$2,584	5.2%	60,025
2002	248,000	2,840	1,038	25,947	2,497	5.2	58,900
2001	244,000	2,967	963	25,430	2,415	3.9	58,754
2000	238,994	2,781	943	25,064	2,290	3.0	58,867
1999	237,000	2,755	910	23,405	2,154	3.5	58,562
1998	230,000	2,647	866	22,650	2,086	3.5	58,767
1997	223,319	2,635	809	21,599	2,002	2.9	58,835
1996	219,644	2,693	783	20,091	1,979	3.2	58,268
1995	216,633	2,687	737	18,885	1,921	3.4	58,188
1994	212,000	2,215	761	17,837	1,841	3.5	57,933
1993	206,000	2,129	699	17,028	1,800	3.6	57,759

1 Source: Davis County Department of Community & Economic Development

2 Source: Davis County Health Department - Vital Statistics

3 Source: U.S. Bureau of Economic Analysis – 2003 per capita figure is preliminary.

4 Source: Utah Department of Workforce Services – Labor Information Division

5 Source: Davis County School District

DAVIS COUNTY

MISCELLANEOUS STATISTICAL DATA - INSURANCE SUMMARY DECEMBER 31, 2003

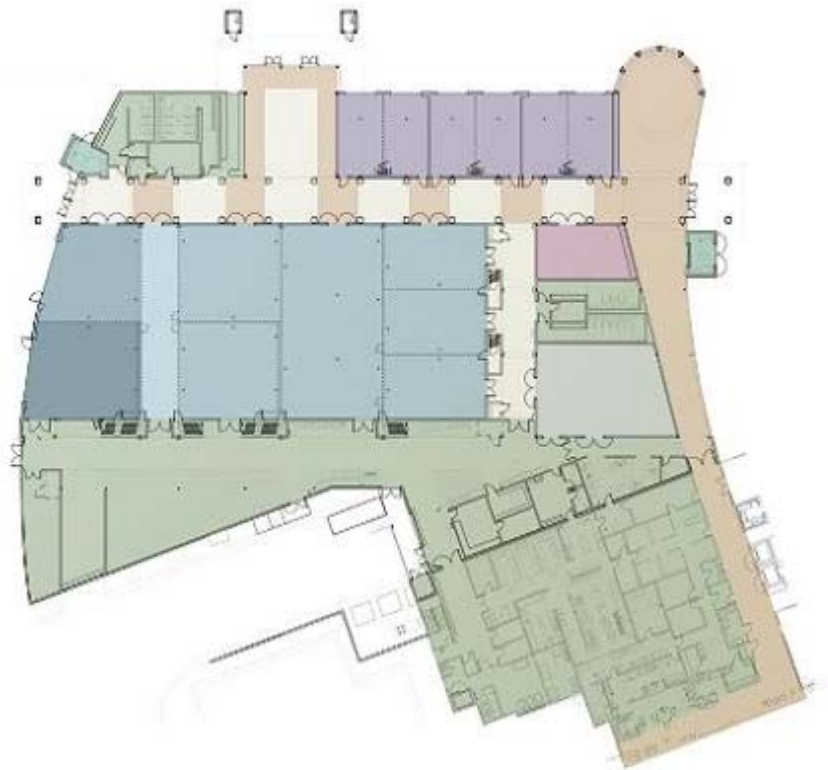
<u>CARRIER</u>	<u>POLICY #</u>	<u>TERM</u>	<u>COVERAGE</u>	<u>COMMENTS</u>	
UTAH COUNTIES INSURANCE POOL	UACIM-02.100-6	1/1/02-12/31/02	General Liability	Limit per occurrence: Aggregate coverage	\$2,250,000 \$3,250,000
Same	Same	Same	Public Officials E & O	Per Occurrence Aggregate per member	\$2,250,000 \$2,250,000
Same	Same	Same	Automobile Liability	CSL Comprehensive deductible - collision	\$2,250,000 \$1,000
Same	Same	Same	Law Enforcement	Same as general liability	
Same	Same	Same	Professional Liability (Health Department)	Same (Does not include doctor and/or hospital professional liability)	
Same	Same	Same	Blanket Property	Blanket Limit of insurance: (includes replacement cost of property) Flood and earthquake aggregate	\$250,150,000 \$25,150,000
Same	Same	Same	Inland Marine Contractor's Equipment	Same as property coverage	
Same	MSJBMG339- K9387TIL01	Same	Boiler and Machinery	Property Damage Limit Interruption deductible	\$50,000,000 \$1,000
STATES Self- Insurers Risk Retention Group, Inc.	SEL3001212	Same	Excess Liability	Retroactive liability coverage SIR Excess coverage over UAC policy SIR	\$10,000,000 2,250,000 6,750,000 2,250,000
State of Utah Industrial Commission	1636958	Same	Workers' Compensation	Industrial injury	Statutory
Old Republic Insurance Co. (Olympus)	PR 67406	7/1/02-6/30/03	Heliport	Combined Single Limit Bodily Injury & Property Damage	\$1,000,000
Granite State Insurance	2387853	4/26/02-4/25/03	General Healthcare	Each wrongful act	\$1,000,000
Same	9314874	5/5/02-5/4/03	Professional Liability Nurse Practitioners	Aggregate wrongful act	\$6,000,000

DAVIS COUNTY

MISCELLANEOUS STATISTICAL DATA SCHEDULE OF COUNTY OFFICIALS' BONDS / INSURANCE COVERAGE DECEMBER 31, 2003

<u>Title</u>	<u>Amount of Bond</u>
Commissioner	\$5,000
Commissioner	5,000
Commissioner	5,000
Clerk/Auditor	35,000
Assessor	20,000
Surveyor	5,000
Sheriff	5,000
Attorney	5,000
Treasurer	2,000,000
Recorder	20,000
Justice of Peace	10,000
Purchasing Agent	10,000
Public Employees Blanket Bond	100,000

IV. Single Audit Section



Architectural Profile & Floor Layout of the new
Davis Conference Center.

Construction began in October 2003.



Steven F. Crane, CPA
Kent R. Christensen, CPA
Jeffrey L. Ambrose, CPA
Chuck Palmer, CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED UPON THE AUDIT PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Board of County Commissioners
Davis County, Utah

We have audited the financial statements of Davis County (the County) as of and for the year ended December 31, 2003, and have issued our report thereon dated April 23, 2004, which report was modified as described below. The financial statements of Davis Behavioral Health (a component unit of Davis County) were audited by other auditors, whose reports have been furnished to us, and our report, insofar as it relates to the amounts included for Davis Behavioral Health, is based solely on the reports of such other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance - As part of obtaining reasonable assurance about whether the County's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted other matters involving compliance that we have reported to management of the County in a separate letter dated April 23, 2004.

Internal Control Over Financial Reporting - In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the County in a separate letter dated April 23, 2004.

This report is intended solely for the information and use of the County commissioners, management, federal awarding agencies, state funding agencies, and pass-through entities and is not intended to be or should not be used by anyone other than these specified parties.

Crane, Christensen & Ambrose P.C.

Ogden, Utah
April 23, 2004

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Member Division of CPA Firms, American Institute of Certified Public Accountants



Steven F. Crane, CPA
Kent R. Christensen, CPA
Jeffrey L. Ambrose, CPA
Chuck Palmer, CPA

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER COMPLIANCE APPLICABLE
TO EACH MAJOR FEDERAL AWARD PROGRAM**

The Board of County Commissioners
Davis County, Utah

Compliance - We have audited the compliance of Davis County (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. The County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion of the County's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance - The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County commissioners, management, federal awarding agencies, state funding agencies, and pass-through entities and is not intended to be or should not be used by anyone other than these specified parties.

Crane, Christensen & Ambrose P.C.

Ogden, Utah
April 23, 2004

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DAVIS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2003

I. SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report on the financial statements expressed an unqualified opinion. The financial statements of Davis Behavioral Health (a component unit of Davis County) were audited by other auditors, whose reports have been furnished to us, and our report, insofar as it relates to the amounts included for Davis Behavioral Health, is based solely on the reports of such other auditors.
2. No conditions in internal control over financial reporting were required to be reported.
3. No instances of noncompliance considered to be material to the general purpose financial statements were disclosed by the audit.
4. No conditions in internal control over compliance with requirements applicable to major federal awards programs were required to be reported.
5. The independent auditors' report on compliance with requirements applicable to major federal award programs expressed an unqualified opinion.
6. The audit disclosed no findings required to be reported by OMB Circular A-133.
7. The major federal programs of the County for the year ended December 31, 2003 are as follows:

Program	CFDA#	Expenditures
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	\$ 2,978,936
Centers for Disease Control and Prevention, Investigations and Technical Assistance	93.283	357,422

8. A threshold of \$300,000 was used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133.
9. The County qualified as a low risk auditee as that term is defined in OMB Circular A-133.

II. FINANCIAL STATEMENTS FINDINGS SECTION

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

None

DAVIS COUNTY

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2003

(Page 1 of 2)

Federal Grantor Agency Pass Through Grantor Program Title	Federal CFDA Number	Grant Numbers	2003 Expenditures (Modified Accrual Basis)
U.S. Department of Agriculture			
Passed through Utah State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.577	Noncash	\$ 2,319,784
Special Supplemental Nutrition Program for Women, Infants and Children (WIC)	10.557	03-0339, 04-1261	\$ 659,152
Summer Food Service Program for Children	10.559	03-02208	\$ 12,500
Passed through Utah State Department of Social Services:			
Food Donation	10.550	03-0256, 04-0370	75,219
Total U.S. Department of Agriculture			<u>\$ 3,066,655</u>
U.S. Department of Education			
Passed through National Science Foundation:			
Safe and Drug-Free Schools and Communities, State Grants	84.186A	A3-0302	<u>\$ 48,415</u>
U.S. Department of Health and Human Services			
Passed through Utah State Department of Health:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	03-0880	\$ 4,892
Immunization Grants	93.268	Noncash	134,155
Immunization Grants	93.268	03-0474, 03-2182	63,941
Centers for Disease Control and Prevention, Investigations and Technical Assistance	93.283	02-2916, 03-0472, 04-0033	357,422
Coop. Agreements for State-Based Diabetes Control Programs and Evaluation			
of Surveillance Systems	93.988	03-0472, 04-0033	7,975
Medical Assistance Program	93.778	03-0491, 03-0586, 04-0011, 04-0697	34,214
Cooperative Agreements for State-Based Comprehensive Breast and Cervical	93.919	03-0472	8,142
Cancer Early Detection Programs			
HIV Prevention Activities, Health Department Based	93.940	03-0880	7,750
Preventive Health Services, Sexually Transmitted Diseases Control Grants	93.977	03-0880	4,067
Cooperative Agreements for State-Based Diabetes Control			
and Evaluation of Surveillance Systems	93.988	03-0472, 04-0033	7,975
Preventive Health and Health Services Block Grant	93.991	03-0472, 04-0033	47,987
Maternal and Child Health Services Block Grant to the States (MCH Block Grants)	93.994	03-0472, 03-0474, 03-2182, 04-0033	107,827
Passed through Utah State Department of Human Services:			
Consolidated Knowledge Development and Application Program	93.230	02-1366	77,541
Passed through Utah State Department of Social Services:			
Programs for the Aging:			
Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	03-0256, 04-0370	121,441
Title III, Part C, Nutrition Services	93.045	03-0256, 04-0370	218,272
Title VII, Chap. 2, Long Term Care Ombudsman Services for Older Individual:	93.042	03-0256, 04-0370	8,514
Title III, Part D, Disease Prevention and Health Promotion Services	93.043	03-0256, 04-0370	2,945
National Family Caregiver Support	93.052	03-0256, 04-0370	36,271
Centers for Medicare and Medicaid Services Research, Demonstrations	93.779	03-0256, 04-0370	6,000
and Evaluations			
Block Grants for Community Mental Health Services	93.958	03-0322	220,481
Promoting Safe and Stable Families	93.556	02-0891	27,624
Social Services Block Grant	93.667	03-1322, 04-1244	113,288
Block Grants for Prevention and Treatment of Substance Abuse	93.959	A3-0302	1,456,694
Passed through Utah State Department of Community and			
Economic Development:			
Low-Income Home Energy Assistance	93.568	02-1949, 03-1590	275,750
Total U.S. Department of Health and Human Services			<u>\$ 3,351,168</u>
Department of Homeland Security (Formerly FEMA)			
Passed through Utah State Department of Public Safety:			
Emergency Management Performance Grants	97.042		27,001
Community Emergency Response Teams	97.054		740
State and Local All Hazards Emergency Operations Planning	97.051		11,281
Total Department of Homeland Security			<u>\$ 39,022</u>

See notes to supplementary schedule of federal financial assistance

DAVIS COUNTY

SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2003

(Page 2 of 2)

Federal Grantor Agency Pass Through Grantor Program Title	Federal CFDA Number	Grant Numbers	2003 Expenditures (Modified Accrual Basis)
U.S. Department of Housing and Urban Development Passed through Utah State Department of Community and Economic Development Community Development Block Grants/State's Program	14.228	00-2148, 02-0869, 03-0277, 03-0279, 03-0506, 03-0507, 03-0537, 03-0799, 03-2040, 04-0312	\$ 1,395,668
U.S. Department of Justice State Criminal Alien Assistance Program	16.606	2003APBX0620	63,296
Passed through Utah State Commission on Criminal and Juvenile Justice Violence Against Women Formula Grants	16.588	02VAWA05, 02VAWA06 2D24, 2D75, 3D24	79,692 123,478
Byrne Formula Grant Program: Crime Victim Assistance	16.579 16.575	02VOCA11, 02VOCA12, 02VOCA14, 02VOCA58, 03VOCA10, 03VOCA11 02UVAA01, 03UVAA01	160,521
State Justice Statistics Program for Statistical Analysis Centers	16.550	1M09, 3L08	29,858
Residential Substance Abuse Treatment for State Prisoners	16.593	2R03, 3R03	93,633
Total U.S. Department of Justice			\$ 487,182
U.S. Department of Labor Passed through Utah State Department of Social Services: Senior Community Service Employment Program	17.235	03-0256, 04-0370	\$ 19,236
U.S. Department of Energy Weatherization Assistance for Low Income Persons	81.042	03-0387, 04-0088	\$ 182,749
Environmental Protection Agency Passed through Utah State Department of Environmental Quality Capitalization Grants for Drinking Water State Revolving Fund Performance Partnership Grants	66.468 66.605	03-0752, 04-1000 03-0752, 04-1000	5,864 2,650
Total Environmental Protection Agency			\$ 8,514
U.S. Department of Transportation Passed through Utah State Department of Transportation: State and Community Highway Safety Capital Assistance Program for Elderly Persons and Persons with Disabilities: Occupant Protection	20.600 20.513 20.602	CP03-02-01, CP04-02-01 Noncash 405-03-01-02	16,440 89,494 5,330
			\$ 111,264
National Foundation on the Arts and the Humanities Passed through Utah State Department of Community & Economic Development State Library Program	45.310	03-1787	\$ 27,275
Executive Office of the President Passed through Rocky Mountain HIDTA: High Intensity Drug Trafficking Area:	07.XXX	I3PRMP573	\$ 27,846
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 8,761,994

See notes to supplementary schedule of federal financial assistance

DAVIS COUNTY

NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. **General** - The accompanying Supplementary Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Davis County (the County). Federal awards received directly from federal agencies as well as federal awards passed-through other government agencies are included on the Supplementary Schedule of Expenditures of Federal Awards.
2. **Basis of Accounting** - The accompanying Supplementary Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.
3. **Noncash Federal Awards** - Noncash federal awards represent commodities consumed during the year, expressed at market value. The State estimates the per unit fair market value of these commodities. Noncash federal financial assistance is calculated by multiplying the per unit fair market value by the net commodities consumed.